

ARRETON PARISH COUNCIL

INTERNAL AUDIT REPORT 2023-24

1. INTRODUCTION

All Local Councils in England are required to complete an Annual Governance and & Accountability Return (AGAR) summarising their financial records at the end of the financial year. The Annual Report of the Internal Auditor section of the AGAR needs to be completed by an Auditor who shall be independent of the Council. The Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

2. SCOPE OF AUDIT

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

- Appropriate accounting records have been kept
- Payments were supported by invoices and all expenditure reported.
- VAT had been accounted for correctly and reclaimed from HMRC
- Examination of budget preparation & precept setting
- Inspection of bank reconciliation.
- Accounts have been prepared on the correct basis.
- PAYE requirements were being met.
- Compliance with Transparency Code.

3. FINDINGS

- (1) The accounting record's, bank statement's and bank reconciliation for the year ended 31st March 2024 were examined and agreed. Sampled payment invoices were requested and sent electronically and agreed to bank statement entries and to accounting records. All payments made are reported to the Council on a monthly basis, individual payments are no longer contained in the minutes.
- (2) VAT expenditure has been accounted for correctly in the accounts and is subsequently reclaimed from HMRC. A sum of £1046.45 was received in the 2023-24 financial year.
- (4) A proper budget process was undertaken in support of the 2024-25 precept, the first draft budget being presented to the meeting held on 15th November 2023. The budget and the precept for 2024-25 of £18,000 were approved at the Council meeting on 15th January 2024.
- (5) The Annual Governance & Accountability Return requires the Internal Auditor to be satisfied that the Council has assessed the risks to not achieving its objectives. The Parish Councils Financial Regulations were reviewed in the year and approved at the meeting held on 11th September 2023.
- (6) Arrangements for PAYE are carried out by the Clerk, with deductions in respect of income tax and national insurance being paid to Her Majesty's Revenues and

Customs (HMRC) on a quarterly basis.

- (7) Arreton Parish Council has income & expenditure of less than £25,000 per annum and is therefore only required to submit to the External Auditor a contact detail and a Certificate of Exemption signed by the Chairman & RFO. The Parish Council has appointed a new Clerk in the 2023-24 financial year and notification of this needs to form part of the AGAR process
- (8) The Transparency Code for Smaller Authorities requires the publication of certain information on a website. On examination of information contained on its website I am of the opinion that the Parish Council is complying with the requirements of the code. Following the approval of the AGAR the following documents need to be detailed on the website -
1. Certificate of Exemption.
 2. Annual Report of the Internal Auditor section of AGAR.
 3. Section 1 of AGAR – Annual Governance Statement.
 4. Section 2 of AGAR – Accounting Statements.
 5. Notice of the period for the exercise of public rights.
 6. Year end bank reconciliation.
 7. Explanation of Variances.

Having regard to the above I am of the opinion that I have adequate assurance to complete and sign the Annual Internal Audit Report section of the AGAR.

GARETH HUGHES BA (Hon) Former member of CIPFA

24th APRIL 2024