

Report of the annual internal audit of Foxley Parish Council for the year ended 31st March 2023

I confirm that I have acted independently and on the basis of the assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the relevant period.

I have completed the Annual internal audit report 2022/23.

Although overall I am in agreement that the council has complied with their responsibilities, I would make the following observations and comments as to why I have been unable to agree that all internal control objectives have been met;

As highlighted in the last 2 years audit - In accordance with Transparency code for Smaller Authorities- smaller authorities should publish a list of Councillor or member responsibilities (can be via a link to the on the PC website to the Register of Members Interest forms at Breckland). I still could not find this information published on the Foxley Parish Council website.

Bank statements were received to 21st March in respect of the Business Premium Account and 28th February for the Community Account therefore I am unable to verify end of year balances.

Salary payments – documentation provided indicating that tax of £40 was paid in respect of L.Rose on 26.4.2022 but no corresponding payment in Council accounts.

It is acknowledged that salary payments for A. Blatchford are being properly accounted for with HMRC and salary (including hours) evidenced. For this reason I have confirmed that objective G has been met.

Financial regulations – As highlighted previously in the internal audit report – Financial Regulations - Risk Management states that a financial risk assessment / risk management document should be in place but I have not seen any evidence of this and it is not published on website. I cannot see that any review of the financial regulations has been carried out this financial year therefore I have been unable to agree that objective C has been met.

In the Financial Regulations – Accounts and Auditing, point f. states that *'all reports by the internal auditor shall be considered by Council. Any recommendations implemented or reasons why they are not recorded in the minutes.'* There is no evidence that the Council considered / addressed either the 'no' responses on the internal audit report 2021/22 or the additional comments made.

2022/23 Guidance notes on completing Form 2 of the Annual Governance Statement confirms that the Parish Council should *'receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.'*

Although I have agreed with objective B as I acknowledge that VAT has been claimed as highlighted in last year's audit, there is no indication if any VAT needs to be reclaimed against payments in the cashbook 2022/23 and financial Regulations state that VAT will be reclaimed at least annually.

Objectives I & J– Although I acknowledge that the Council are provided with a statement of accounts on a regular basis and this acts as a form of bank reconciliation (which is signed by the Chairman and approved at a Council meeting) the figures on the bank statement I checked did not correspond to the figures given on the summary so I am unsure how this has been checked by Council/Chair.

E.g. Statement of accounts 11th May to 17th August 2022 signed dated 18th August. The summary 'cashbook' is showing a balance of £3512.26 and confirms that this is in agreement with the bank statement dated 9th August 2022. The bank statement dated 9th August 2022 shows a balance of £3159.26 and there is no explanation given for the discrepancy. I have therefore ticked no for these objectives.

Although I have ticked yes to objective L and have confirmed that all the required information has been published on the website, I note that the 2021/22 Accounting Statement has not been published. The Annual Governance Statement has been published twice.

It is noted that the Council have 'agreed' an increase in the precept for 2023/24 without a resolution (minutes dated 1st December 2022, ref 11) Under standing orders *'A motion (including an amendment) must have a proposer and a seconder'*

It is noted that the Council currently hold reserves in excess of the annual precept figure but I can't find any indication of what these reserves are being held for. The analysis of variances form (which forms part of the AGAR), may ask for the reasons for the reserve. This form was not provided as part of the audit.

Please do not hesitate to contact me if you have any concerns / questions with regards to the points raised in this audit.

Regards

Jo

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