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Lisa Newby  
Clerk to Long Sutton Parish Council  
Nyumbani  
Bow Street  
Langport  
Somerset TA10 9PS

28 March 2023

Dear Lisa

## **LONG SUTTON PARISH COUNCIL**

### **Internal audit report - Year ended 31 March 2023**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for three years 2021-22 to 2023-24 on 8 June 2021.

My internal audit review was carried out on 28 March 2023.

## **Background**

The Clerk is CiLCA qualified and has been employed by the Council since February 2019.

Long Sutton Parish Council has income and expenditure of between £25,000 and £50,000 and is subject to review by the external auditor, PKF Littlejohn. The Council had other matters reported on the external auditor's report for 2021-22 relating to the Council's responsibilities as a sole trustee.

The Council is not required to comply with either Transparency Code as its income and expenditure falls between the thresholds for which either of the Transparency Codes apply. However, it is good practice for the Council to comply with the Local Government Transparency Code for Smaller Authorities 2014.

The Council's accounting records are maintained on Excel.

## **Internal audit checks**

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit I checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income
- Expenditure
- VAT claims
- Payroll
- Risk assessment
- Insurance
- Asset register
- Budgets and reserves
- Sole managing trustee
- Transparency
- Public Rights
- Action taken on the recommendations in prior report

## **Findings**

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Clerk is CiLCA qualified
- The Council maintains its books and records on Excel
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council

## Good practice – continued

- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Councillors attend training by the local branch of the National Association of Local Councils
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- The payroll is operated by an independent external payroll provider
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- The asset register is complete and accurate and has been properly maintained
- Adequate insurance is in place
- Action has been taken, or is underway on all of the recommendations in the last internal audit report

## Recommendations

### *Policies and procedures*

- Councillors should all provide a declaration of interests to be submitted to the District Council
- Councillors use council specific email addresses for Council business rather than their personal email addresses. The use of personal email addresses is a serious data protection concern.

### *Income and expenditure*

- The Council should ensure it complies with its Financial Regulations and obtains three quotes for all contracts valued in excess of £3,000

### *VAT claims*

- The claim made in August 2022 was understated by £360 due to a clerical error. This should be corrected when the next claim is made and an explanation for the additional £360 being claimed should be supplied to HMRC.

### *Risk assessment and insurance*

- The Council should formally consider the level of insurance required annually.

## Next review

The next internal audit review will be carried out remotely in April 2023.

At this review detailed checks will be carried out on:

- Year end checks

## Conclusion

Based on the tests I have carried out, in my view, the internal control procedures in operation are adequate to meet the needs of Long Sutton Parish Council.

## Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bridget Bowen', written in a cursive style.

Bridget Bowen FCA

Internal auditor