

Bridget.C.Bowen FCA
86 High Street
Weston
Bath BA1 4DD

Tel: 07465 416597

Email: bridget.c.bowen@outlook.com

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

2 April 2024

Dear Lisa

LONG SUTTON PARISH COUNCIL

Internal audit report - Year ended 31 March 2024

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 2023-24 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)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for three years 2025-26 on 5 December 2023.

My internal audit review was carried out on 26 March 2024.

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 £50,000 and £100,000 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 Scribe.

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 Scribe software
- 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
- Bank reconciliations are prepared accurately and regularly
- All payment vouchers tested were evidenced as approved
- There are strong internal controls over cash receipts
- The payroll is operated by an independent external payroll provider
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- 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

- The Standing Orders and Financial Regulations should be updated for the increases to the thresholds over which contracts must be competitively purchased, in line with the most recent amendments to the Public Contracts Regulations 2015.

SI 2023 No 1117 - The Public Procurement (Agreement of Government Procurement) (Thresholds) (Amendment) Regulations 2021 came into force on 1 January 2024 and increases the threshold in sub paragraph a) for public works contracts from £5,336,937 to £5,372,609, and the threshold in sub-paragraph c) for goods and services from £213,477 to £214,904.

SI 2022 No 1390 - Amendments to the Public Contract Regulations 2015 came into force on 21 December 2022 and increases the threshold set out in Section 109 2c) ii) over which contracts must be competitively purchased from £25,000 to £30,000.

The Council should be aware that the NALC Model Financial Regulations have not been updated for these changes, and therefore the clerk would not have been aware of them.

- The Council draws up a reserves policy setting out the level of general reserves required, and the amounts of reserves earmarked for particular purposes in the future.

Bank and cash

- Bank reconciliations should be signed off by the clerk, and by the Councillor who checks them.

Income and expenditure

- All payments should be approved or reported at a Council meeting. If payments are made between meetings the payment should be reported to Council at the following meeting.

Next review

The next internal audit review will be carried out remotely in April 2024.

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