



7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

12 June 2023

The Parish Clerk

Tichborne Parish Council

15 The Heath

Denmead

Waterlooville

PO7 6JT

Dear Brendan

Tichborne Parish Council Internal Audit Report Letter for Council 2022/2023

April 2022 –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.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Accountability and Governance Return (AGAR).

We 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).

The Internal Audit was carried out on Monday 12 June 2023 in agreement with the Parish Clerk. The Clerk provided back-up information for the period April 2022 to March 2023 to support the current governance and financial management position of the Council.

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June 16, 2023

Page 2

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

A series of independent audit tests were undertaken from the information made available to ascertain the efficiency and effectiveness of these internal controls.

The Parish Council will need to submit a Certificate of Exemption to the External Auditor for 2022/2023 as their income and expenditure falls below the threshold of £25,000 that requires the Parish Council to have an External Audit.

A full check was also carried out on completion of the Annual Governance and Accountability Return (AGAR) for 2022/2023 to ensure that the Parish Council will be able to adhere to the Transparency Code Regulation 2015.

As part of this Internal Audit Review, we checked that:

Bank Reconciliations

- the financial totals as at 31 March 2022 had been brought forward accurately.
- any payments and un-banked income were checked as at 31 March 2022.
- all direct credits, standing orders, transfers were checked and accounted for the period 1 April 2022 to 31 March 2023.
- all income was banked and agreed to bank statements for the period 1 April 2022 – 31 March 2023.
- bank reconciliations for the bank account had been carried out between 1 April 2022 – 31 March 2023, and totals agreed to those shown in the Cash Book.

Income and Expenditure

- all un-presented payment information as at 31 March 2023 was confirmed and that the details are accurate to the records held by Parish Council.
- test checks on the Receipts and Payments list for April 2022– March 2023 were carried out to ensure that the details were correctly recorded, and VAT elements extracted correctly.
- *(Audit Note: We have noted that the work commissioned to paint the Telephone Box was done without reference to the whole Parish Council and the invoice received from the contractor was not sufficient to satisfy HMRC requirements for VAT purposes.*
- *All work to be commissioned by the Parish Council should be done by the Parish Clerk who will ensure that the regulations and requirements needed to obtain quotations and properly completed and received invoices for payment are in place).*
- Income recorded in the bank accounts was checked to ensure the details matched to those entries shown in the Cash Book.

VAT

- No VAT reimbursement claim was submitted in 2022/2023. The Parish Clerk should ensure that a VAT reimbursement claim is submitted to HMRC in 2023/2024.

Payroll Information

- We checked to ensure that the deductions of PAYE, were correctly deducted from salary and that payment is made on a quarterly basis to make appropriate payments to HMRC.

Asset Register

- We confirmed with the Parish Clerk that he should ensure that the Asset Register is checked and brought up to date to show the correct totals as at 31 March 2023.

Risk Assessment 2022/2023

- the risks of the Parish Council were reviewed on May 2022 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2022) is met.

Insurance

- the Insurance Cover for the Parish Council is with Zurich Insurance. The current level of cover is sufficient for the size of the Parish Council in 2022/2023.

Parish Council Minutes

- we checked the details of Parish Council Minutes on the Council website from April 2022 to March 2023 to record points of note for any financial approvals or decisions that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

Exercise of Public Rights 2022

- The 2022/2023 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations during 2022.

- This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

(Audit Note; We are pleased to report that the Parish Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).

Transparency Code Regulation 2015

- As the Parish Council has an annual turnover not exceeding £25,000 the Internal Auditor is asked to check that the Council have published information on their website that is in accordance with the mandatory requirements of the Transparency Code Regulation 2015.

(Audit Note: We are pleased to report that the Parish Council have published the required information on their website to ensure that they are compliant with the Transparency Code Regulation 2015).

End of Year Procedures

A full check was carried out on the End of Year documentation provided by the Parish Clerk to confirm the accuracy of the details. This also included the validation of any variances of totals between 2021/22 and 2022/23 shown on the AGAR in Section 2 as required by the External Auditor which is over 15%.

All other information provided confirms the accuracy of the details to be shown in Section 2 of the AGAR and therefore we have signed the Annual Internal Audit Report on the AGAR for 2022/2023.

June 16, 2023

Page 4

Audit Opinion

All the internal control statements shown in the Internal Audit Report of the AGAR have been completed to show our opinion that there is an appropriate control framework in place for the Parish Council.

The Parish Council are required to adhere to the Accounts and Audit Regulations 2015 including the period for the Exercise of Public Rights to be fully completed and along with the copy of the Exemption Certificate publish the details on the Parish Council website before the 1 July 2023.

This letter report should be circulated for the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor