

Annual Internal Audit Report 2023/24

Haddenham Parish Council

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During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
	A. Appropriate accounting records have been properly kept throughout the financial year.	Yes	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Yes		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			N/A
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			N/A
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	Yes		
N. The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	Yes		

O. (For local councils only)	Yes	No	Not applicable
	Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

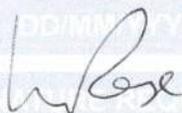
04/06/2023 23/10/2023 DD/MM/YYYY DD/MM/YYYY

Name of person who carried out the internal audit

Kevin Rose ACMA- IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

SIGNATURE REQUIRED



Date

DD/ 15/04/2024

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Haddenham Parish Council
Financial Year 2023-24



IAC Audit and Consultancy Ltd

Audit date: 9 April 2024

Year End Internal Audit Observations

D *The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Council has returned to IAC completed Internal Audit Observations spreadsheets from prior audit(s)	No	<i>The Council has not provided its response to the Internal Audit Observations from the previous audit and returned it to IAC.</i>	Council to provide its comments on the previous Internal Audit Observations.	Medium	

I *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Year End bank reconciliations have been signed and dated as evidence of independent review.	No	<i>As at the date of the audit visit the Year End bank reconciliations had not been signed and dated as evidence of independent review.</i>	Prior to the Council's approval of the Accounting Statements the year end bank reconciliation should be subject to independent review and signed and dated as evidence of this review.	Medium	

O *(For local councils only)*
Trust funds (including charitable) – The council met its responsibilities as a trustee

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Trust income and expenditure has been transacted through a separate bank account in the name of the Trust and has not been recorded in Councils accounts	No	<i>Trust income and expenditure of the Educational Charity have been transacted through the parish council bank accounts and recorded in a balance sheet nominal code 530 as a creditor balance. As at 31st March 2024 the balance on this account was £19,565.52. The Council has not paid the Charity any interest on this balance. (Most of the Charities funds are held with CCLA account in the name of the Charity.)</i> <i>The Council is recording an amount due from Banks Park Charity of £4,696.48.</i> <i>It is understood that the Council is working towards combining the Educational Charity with other local charities and that this balance will be transferred to a separate bank account. Legal fees were quoted for this work at between £8-£12,000.</i>	<i>The Council to review the balance on nominal code 530 and consider whether this should be transferred to the CCLA Charity Account. The Council to also consider whether the Charity should be paid interest on the funds held in the Councils bank account.</i> <i>The Council to arrange payment of the funds due to it from Banks Park Charity.</i> <i>The Council to review and Minute the current status of the amalgamation of the Charities. The Council to also review and confirm the legal fees anticipated in respect of this.</i>	Medium	

Year End audit summary Haddenham Parish Council

(shaded Internal Control Objectives are not applicable to your Council)



Year End Audit Date 9 April 2024

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A	Appropriate accounting records have been properly kept throughout the financial year.		0	0	0	0	
Box B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	2	2	2	0	0	
Box C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	4	4	0	0	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1	4	3	1	1	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	2	1	1	0	0	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		N/A	N/A	N/A	N/A	
Box G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	8	16	16	0	0	
Box H	Asset and investments registers were complete and accurate and properly maintained.	4	7	7	0	0	
Box I	Periodic bank account reconciliations were properly carried out during the year.	3	6	5	1	1	
Box J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	4	5	5	0	0	
Box K	If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")		N/A	N/A	N/A	N/A	
Box L	The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.		N/A	N/A	N/A	N/A	
Box M	The authority, during the previous year (2022/23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).		0	0	0	0	
Box N	The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	1	0	0	0	0	
Box O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee		2	1	1	1	
Totals		26	47	44	3	3	0



Sue Gilbert
Parish Clerk
Haddenham Parish Council
Parish Council Office
Banks Park
Banks Road
Haddenham
Buckinghamshire
HP17 8EE

15th April 2024

Dear Sue,

Year End audit Cover Letter (with Interim)

An audit was carried out by Kevin Rose on Tuesday 9 April 2024. This was the Year End audit following on from the interim audit carried out on 23 October 2023.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 203 items. A total of 47 items were tested during this audit in addition to the 132 items tested and checked during the interim audit. 26 further items were checked during this audit and confirmed as being 'Not Applicable' to Your Council. All items on the checklist were tested during the year.

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- Trust Funds (Box O)

Summary of tests undertaken this audit

Positive response	44
Negative response	3
Not Applicable to your Council	26
Total tests carried out	73

Of the 47 applicable items tested a Positive response was obtained in respect of 44 tests. There were 3 Negative responses identified and 3 Observations were made, details of which are set out in the attached Year End Internal Audit Observations.

Summary of tests undertaken for the financial year (including the Interim audit)

Positive response	143
Negative response	6
Not Applicable to your Council	54
Total tests carried out	<u>203</u>
Tests not carried out	Nil

I am pleased to advise that no 'Non-Compliances' were identified that would give rise to a negative response on the statutory Annual Internal Audit Report.

I would like to express my thanks for the assistance and hospitality provided to me during my audit.

Yours sincerely,



Kevin Rose ACMA
Director

The Clerk
Haddenham Parish Council
Parish Council office
Banks Road
Haddenham
Buckinghamshire
HP17 8EE

15-Apr-24

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2023/24, I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of Control Objectives F, K, and L and we are required to explain why we have done this.

- *The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash.*
- *The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from limited assurance review for the 2022/23 financial year.*
- *At present no specific guidance has been provided to Internal Auditors to set out what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.*

The External Auditor may query why we have responded 'Not Covered' and, if so, you should provide them with a copy of this letter.

Yours sincerely,



Kevin Rose ACMA
Director