

Annual Internal Audit Report 2023/24

Milborne Port Parish Council

<http://milborneportpc.org.uk/>

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.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			NOT USED
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
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
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.	✓		
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 (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).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		

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

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: 30/11/23, 24/4/24
 Name of person who carried out the internal audit: ELEANOR S. GRANT ICFA

Signature of person who carried out the internal audit: [Signature]
 Date: 24/4/24

***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).**

Do the Numbers Limited

24th April 2024

Simon Pritchard, Clerk
Milborne Port Parish Council

Dear Simon,

Subject: Review of matters arising from Internal Audit for 31 March 2024

Following my visits to the office today and earlier in the year, please find below the list of matters arising. I found the records of the council to be in good order and that the review went well.

The internal audit was carried out in accordance with the requirements of the [Audit and Accounts Regulations 2015](#) and the guidance and instruction in the [Practitioners Guide 2024](#)

Test	Matter arising	Recommended Action
A	<i>Appropriate accounting records have been</i>	<i>properly kept throughout the financial year</i>
Payment method	Due to a shortage of internet banking signatories, the council is paying bills with a mixture of online and cheques. This increases control risk, adds cost and complicates record keeping.	All councillors should be added to the bank mandate so that electronic payments can always be authorised in a timely manner.
B	<i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and</i>	<i>VAT appropriately accounted for</i>
Financial regulations	The new model Financial regulations are currently being finalised at NALC.	AS soon as they are released, they should be adopted by the council.
C	<i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</i>	
	The records of the council comply	with this test
D	<i>The budget resulted from an adequate budgetary process, progress against the budget was regularly monitored, the reserves were appropriate</i>	
	The records of the council comply	with this test
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for</i>	
Bank interest	The bulk of the council's funds remain in in an account earning much less than the BoE base rate	The council should consider moving some funds to a sector specific account such as the CCLA PSDF
F	<i>Petty cash payments were properly supported by receipts, all petty cash was approved and VAT appropriately accounted for</i>	
	Not applicable to this council	
G	<i>Salaries to employees and allowances to members we paid in accordance wit this authority's approvals, and PAYE and NI requirements were properly applied</i>	
Payroll timing	Officer are paid on the 1 st of the month for the previous month. This results in the payroll being out of kilter with the accounts system, complicating AGAR checks.	Now that electronic payments are up and running, it would improve internal controls if employees were paid on the last working day of the month.
New	The commencement date, name and	It is an essential control that the

eleanorgreene@donthenumbers.uk

Registered in England No. 7871759

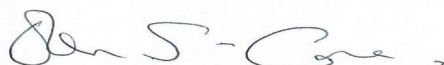
Director: Eleanor S Greene

employee	rate of pay of the new facilities officer were not minuted.	names and terms of officers are clearly recorded by members.
<i>H</i>	<i>Asset and investment registers were complete and accurate and properly maintained</i>	
Asset additions	The council has completed several capital projects in the year but neither the asset register on Scribe nor the spreadsheet had been updated at the time of audit.	Members should review the asset register regularly during the year to ensure that additions are properly recorded and insured.
<i>I</i>	<i>Periodic Bank reconciliations were carried out during the year</i>	
Bank deposits	The council holds all of its funds in a sweep account linked to the current account. This increases risk.	The council should open a deposit account to hold reserves not needed in the next few months.
<i>J</i>	<i>Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail and debtors and creditors recorded.</i>	
Village Hall Charity	This Charity (277538) is planning to replace its current trustees with the PC as a body corporate.	The council should ensure that the Charity complies with the Council's terms of support.
Playing Fields Charity	This charity (304584) leases the field on which the cricket pavilion, football clubhouse and car park have been built. An extension to the clubhouse is currently planned.	The charity is not up to date with its legal obligations. No further grants should be made until this is rectified.
<i>K</i>	<i>Certified Exempt in prior year</i>	
Not applicable to this council		
<i>L</i>	<i>Transparency Code</i>	
	The records of the council comply	with this test
<i>M</i>	<i>Public Rights</i>	
	The records of the council comply	with this test
<i>N</i>	<i>Publication of prior year AGAR</i>	
	The records of the council comply with this test.	
<i>O</i>	<i>Trust funds</i>	
Not applicable to this council		
<i>P</i>	<i>Borrowing</i>	
No longer applicable to this council		

Please find attached my invoice for the agreed fee.

If either you or your members have any queries, please do not hesitate to contact me.

Regards,



Eleanor S Greene