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## **Moulsoe Parish Council**

*Internal Audit Report 2023-24*

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*Sally King*

*For and on behalf of  
Auditing Solutions Ltd*

## **Background**

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return (AGAR).

This report sets out the work undertaken in relation to the 2023-24 financial year, which was concluded at our office on 11<sup>th</sup> June 2024. We have again undertaken our review for the year remotely: we wish to thank the Clerk for assisting in the process, providing all necessary documentation in electronic format to facilitate completion of our review for the year and sign off the Internal Audit Certificate in the year's AGAR.

## **Internal Audit Approach**

In undertaking our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential mis recording or misrepresentation in the year-end Statement of Accounts/Annual Return (AGAR). Our programme of cover has again been designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's Annual Return (AGAR), which requires independent assurance over several internal control objectives.

## **Overall Conclusion**

We have concluded that, based on the programme of work undertaken this year, the Parish Council has adequate effective internal control arrangements, and we are also pleased to acknowledge the continued quality of records maintained by the Clerk and thank her for her assistance, which has ensured the smooth progress of our review process. We are pleased to report that there are no issues arising in the year to date warranting formal comment or recommendation.

Consequently, we have completed and signed the 'Internal Audit Report' as part of the year's AGAR process having concluded that, in all significant respects, the internal control objectives set out in that report were achieved throughout the financial year to a standard adequate to meet the needs of the Council.

# Detailed Report

## Maintenance of Accounting Records & Bank Reconciliations

We are pleased to note that the Clerk has prepared an Excel spreadsheet to maintain the accounting records for the year under review, this is adequate for the size of the Council.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. To that end, we have: -

- Ensured that the 2022-2023 “Restated” closing balance has been brought forward correctly as opening balance in the 2023-24 financial year.
- Checked and agreed the full year’s financial transactions as recorded on the spreadsheet to the supporting Barclays bank account statements with no issues arising.
- Verified detail of the year-end bank reconciliation as of 31<sup>st</sup> March 2024 to the supporting Barclays bank statement.

### *Conclusions.*

*We are pleased to report that no significant issues have been identified in this area of our review process warranting formal comment or recommendation. We have ensured the accurate disclosure of year-end balances in the Statement of Accounts and AGAR.*

## Review of Corporate Governance

Our objective in this area is to ensure that the Council have a robust regulatory framework in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we can ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

We are pleased to note that both Standing Orders and Financial Regulations have been reviewed and adopted at the Council Meeting held on 16<sup>th</sup> May 2023 (minute refs. 2305/11.4.1 & 2305/11.4.2 respectively).

We have reviewed the Council’s minutes for the year to determine whether any issues exist that may have either a legal or financial impact on the Council and its future financial stability, also considering whether any actions have been taken or are proposed that might result in ultra vires action or expense with no obvious issues arising.

Noted that the Council continues to remain exempt from Limited Assurance Review.

### *Conclusions.*

*We are pleased to report that no issues have been identified in this area. of our review process warranting formal comment or recommendation.*

## Review of Expenditure & VAT

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets.
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available.
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount.
- VAT has been appropriately identified and recorded in such a manner to allow for its periodic recovery.

We have reviewed all the payments during the year to ensure compliance with the above criteria and are pleased to report that all these payments were supported by the appropriate documentation.

### *Conclusions.*

*We are pleased to report that no concerns have been identified in this area of our review process warranting formal comment or recommendation.*

## Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. We have: -

- Noted that the Council have reviewed the Governance and Financial Risk Assessments at their meeting held on 12th March 2024 (minute ref. 2403/9.5).
- Also note that the Council's insurance cover is provided by BHIB underwritten by Aviva and have duly examined the current year's policy schedule which is in force until 31st May 2024 to ensure that appropriate cover is in place, noting that both Public and Employer's Liability remain at £10 million, whilst Fidelity Guarantee stands at £150,000.

### *Conclusions.*

*We are pleased to report that no concerns have been identified in this area of our review process warranting formal comment or recommendation.*

## Petty Cash Account

The Council does not operate a petty cash account.

## Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from the District Council: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise. To meet this objective, we have.

- Confirmed that the budget and precept deliberations for 2024-25 were completed and the precept of £7,858.44 was approved by Council at its meeting held on 9<sup>th</sup> January 2024 (minute ref 9.1.6).
- Reviewed the level of retained funds at the year-end, assessing their adequacy to meet the Council's ongoing revenue spending requirements. As of 31st March 2024, the Total Reserve balance stood at £14,944 which is over guideline of between three- and twelve-months' revenue spending.

### *Conclusions and Recommendations*

*We are pleased to report that no concerns have been identified in this area of our review process warranting formal comment or recommendation.*

## Review of Income

The Council's only income in 2023-24 other than the precept and recoverable VAT was 2 grants from Milton Keynes Council for the King's Coronation and for Warm Spaces.

### *Conclusions*

*We are pleased to report that there are no apparent issues in this area of our review process warranting formal comment or recommendation.*

## Fixed Asset Register / Inventory

The Governance and Accountability Manual requires all councils to maintain a register of their assets.

This Council has limited assets, and there were no additions or disposals within the 2023-24 financial year.

### *Conclusions*

*We are pleased to report that no issues have been identified in this area of our review process warranting formal comment or recommendation, we have verified that the correct values have been accurately reported in the year's AGAR,*

## **Investments and Loans**

The Council has no funds in investments, nor has it any loans payable by, or to it.

## **Statement of Account and AGAR**

The 1996 Accounts and Audit Regulations required all Councils to prepare annually a detailed Statement of Accounts, together with supporting statements identifying other aspects of the Council's financial affairs.

We have reviewed the Statement of Accounts and AGAR detail prepared, with no obvious errors or anomalies in the detailed content.

### ***Conclusions***

***No issues have been identified in relation to the verification of detail in the Statement of Accounts and AGAR this year.***

***Based on our detailed work during the course of the year on the Council's systems of financial control and content of the detailed Statement of Accounts and that summarised detail set out in the AGAR, we have signed off the Internal Audit Report of the AGAR assigning positive assurances in each relevant area.***