

Annual Internal Audit Report 2022/23

Little Hoole Parish Council

<https://www.littlehooleparishcouncil.org.uk>

During the financial year ended 31 March 2023, 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 2022/23 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.			✓
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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	✓		
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 2022-23 AGAR period, were public rights in relation to the 2021-22 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 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

29/05/2023

Name of person who carried out the internal audit

Rachel Pearson

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

29/05/2023

***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).

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with Auditor's signature.

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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			✓
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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR this 'not covered')</i>	✓		
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 2022-23 AGAR period were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes conforming the dates set)	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i>	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	Yes	No	Not applicable
			✓

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Date(s) internal audit undertaken
29/05/2023

Name of person who carried out the internal audit
Rachel Pearson

Signature of person who carried out the internal audit

R Pearson

Date

29/05/2023

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FA PKF Littlejohn

29th May 2023

Dear Sir/Madam

RE: Items marked "Not Covered" or "No" in Annual Internal Audit Report – Little Hoole Parish Council 2022/23

With regards to the Internal Audit of the above Council for the year ending 31st March 2023, please see below:

"Not Covered"

Petty Cash – the parish does not operate Petty Cash

'No'

B – There is significant scope for the improvement of internal control, particularly around the formal adoption and review of policies and procedures." i.e. The previous Clerk was also self employed.

D – There is no evidence that the 22/23 Precept request was resulted from a budget process. 23/24 has a budget and there is a budget process now in place

L – The Council cannot locate full documents from 2017/18 to put on their website.

It may appear from the AIAR that this is a Parish Council where there is significant scope for improvement in terms of its policies and procedures and room for improvement in the level of internal control. However, I can already see the vast improvements that the current Clerk has implemented, and I am confident that with his help this Parish Council can improve their standard further.

Yours sincerely

Rachel Pearson
Director