

Annual Internal Audit Report 2022/23

NYNHEAD PARISH COUNCIL

www.nynhead.org

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)	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

Name of person who carried out the internal audit

11/05/2023

Jill Larcombe

Signature of person who carried out the internal audit

Jill Larcombe

Date 11-05-2023

*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).

Nynehead Internal Audit Report Financial Year 2022-23

Internal audit and review of internal controls carried out by:

Jill Larcombe

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Tiverton

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Internal audit carried out on 11th May 2023 and final document checked on 8th June 2023

Financial	Y/N	Comments
Certificate of Exemption 2022/23	Y	Receipts and payments are both below £25,000 so Council qualifies for a Certificate of Exemption.
Receipts and payments or Income and expenditure	N/A	Accounts are prepared on a receipts and payments basis.
Review of effectiveness of Internal Audit	Y	Reviewed at meeting held on 16.05.22.
Banking arrangements	N/A	Cheques with 2 signatures
Financial Regulations in place and up to date	Y	Reviewed 14/03/22. Using Current Model Financial Regulations. To be updated for online banking
Petty cash	N/A	No petty cash.
Payments correctly authorised / payment controls – minuted and signatories	Y	All payments were agreed at meetings. Payment details are recorded in the minutes with cheque number. Cheques signed by 2 councillors. Councillors are reminded to declare a pecuniary interest if a payment to them is being agreed, even if they are being reimbursed for a payment they have made on behalf of the Parish Council. The payment should not be proposed or seconded by them.
Payments correctly recorded	Y	Cashbook checked
S137 correctly identified	N/A	No S137 payments
Income correctly recorded and banked promptly	Y	Most income is paid directly into the Council's bank account.
Budget for 2022-23 documented and approved	Y	A budget for 2022-23 was discussed and approved at the meeting held on 13/12/21. Minute ref 21/132 ii
Precept 2022-23 approved	Y	Precept of £6,725 agreed on 13/12/21 and/ requested from SWT. Minute ref: 21/132 ii. Correctly received April 2022.
Regular budget monitoring reports produced	Y	Reported at each meeting.
Bank reconciliation – evidence of regular checks	Y	Quarterly bank reconciliations agreed and signed at Council meetings. Reconciliations minuted.
Bank balances at 31 March 2023 agrees to accounts	Y	Checked against bank statements and bank reconciliation.

Variance analysis	Not checked	
VAT correctly accounted for	Y	Invoices checked against cash book.
VAT return accurate and completed	Y	New Clerk will be completing VAT return
Adequacy of reserves	Y	Sufficient reserves
Risk management		
Insurance cover	Y	BHIB – second year of three year agreement.
Employer liability certificate	Y	
Fidelity guarantee adequate	Y	
Risk register in place, up to date and reviewed within last 12 months	Partly	The Council does have a risk register but it hasn't been reviewed in the last 12 months. The Council will need to review this in 2023-24 so that the internal auditor can confirm that the AGAR internal control objective C is being met.
Staffing		
Contract of employment in place	Y	New Clerk/RFO appointed from 01.02.23, Appointment as Clerk and RFO correctly minuted.
Payroll / PAYE / NI arrangements	Y	Annual subscription paid to use Moneysoft programme to complete monthly payroll.
Year end P60	Y	
Are the Clerk's expenses reasonable and approved by the Council	Y	Expenses reasonable and reported to Council
Training received in year	Y	Preparing for audit
Absence Management Policy	Y	
Grievance and Disciplinary Policy	Y	
Transparency Code (Information on website)		
		In 2022-23 the Parish Council was a smaller authority under the Transparency Code. Certain documents were required to be published
Agendas – agenda items clear on decisions needed	Y	
Minutes – adequately numbered, decisions clear, payments approved	Y	
Annual Governance Statement 2021-22	Y	Published on website
Accounting Statement 2021-22	Y	Published on website
Payments over £100 in 2021-22	Y	Published on website
Asset Register	Y	Published on website
Bank reconciliation 31.03.22	Y	Published on website
Exercise of Public Rights	Y	Correct number of days on form
Councillor responsibilities or representation on website	Y	
Members		
Code of Conduct	Y	Local Government Association Model Councillor Code of Conduct adopted 17/10/22 and reviewed on 20.03.23
Register of interest Forms on the Council's website	Y	
Training received in year	Y	Code of Conduct training
Other policies and procedures (in place and up to date)		

Standing Orders	Y	Reviewed 20/03/23 no changes.
Anti-fraud and Corruption	Y	
Data Protection	Y	
Privacy Statement/s	Y	
Awarding of Grants	Y	
Model Publication Scheme	Y	
Equal Opportunities	Y	
Complaints Procedure	Y	20/01/20
Other matters		
Website management	Y	New website
IT backup	Y	
AGAR – general understanding	N	The new Clerk is working with the previous Clerk to complete the AGAR forms for 2022-23.

I have carried out the internal audit for 2022/23 in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined above, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority. There were no matters of non-compliance identified.

The AGAR Internal Audit Report has been signed.

Jill Larcombe

Jill Larcombe

Internal Auditor

08.06.23