FINAL

Internal audit report 2023/24

Visit 2 of 3

HAYDON WICK PARISH COUNCIL

Date: 21st February 2024

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Introduction

This report contains a note of the audit recommendations made to Haydon Wick Parish Council following the carrying out of internal audit testing remotely on 14th February 2024.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the requirements of later IA sections of the AGAR.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2023/24 (which will be between April and June 2023) will contain the audit opinion.

The following areas were reviewed during this audit visit:

1. Payments
2. Risk Management (including minutes review)
3. Budgetary Control

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	1
Low	1
Info	0
TOTAL	2

I would like to thank Jodie Smart, Finance Officer & Deputy RFO for her assistance during this audit.

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
2.1 – Amend small overclaim and ensure correct tax point used for lease payments	I checked to see that VAT on a sample of payments had been identified, recorded and reclaimed. I found that there was a small over-claim of 10p on a payment relating to the supply of electricity, and that the VAT relating to a year's worth of vehicle lease payments was accounted for up front. The related tax certificate notes that the tax point is the instalment date. Note that the final payment is due at the start of March 2024. I recommend that the electricity VAT is amended to ensure that the correct amount has been reclaimed, and that the VAT relating to any future lease instalments is recovered at the tax point (which is the instalment date) rather than at the start of the contract.	M	Elec Vat to be amended. Future VAT reclaims for vehicle lease to be accounted for as recommended.	Finance Officer & Deputy RFO	22.02.2024
2.2 – Ensure all payments minuted	I checked a sample of payments in the cashbook to confirm that they were supported by invoices or other appropriate paperwork, properly authorised and minuted. I found that 1/19 payments (relating to a food bank grant) had not been properly minuted on a payment list as the payment was made between lists. The Finance Officer has confirmed that the amount will be reported to the March Finance & Policy Committee meeting. I recommend that the amount is reported as planned.	L	Payment included in payment schedule at Full Council on 20th February 2024.	Finance Officer & Deputy RFO.	20.02.2024