FINAL

Internal audit report 2023/24

Visit 3 of 3

HAYDON WICK PARISH COUNCIL

Date: 3rd May 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 carried out remotely on 1st May 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 amended to include additional tests required by later versions 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

The internal audit for 2023/24 has now been completed in accordance with the provisions of the Practitioners' Guide and the CIPFA code of internal audit practice.

Based on the sample testing carried out at this final audit visit and during the year, all of the Council's current financial controls reviewed during the testing appear to be operating effectively.

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	1
Medium	0
Low	2
Information	0
TOTAL	3

The number of recommendations made at all of the audit visits in 2023/24 and their priorities are summarised in the following table:

Rating	**Number**			
	Visit 1	**Visit 2**	**Visit 3**	**TOTAL**
High	0	0	1	1
Medium	1	1	0	2
Low	3	1	2	6
Information	0	0	0	0
TOTAL	4	2	3	9

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
3.2 – Ensure level of insurance cover for assets is reviewed	I raised a recommendation in 22/23 relating to a difference between the level of cover shown for assets, and the value of assets per the register. I found that cover was in place for office contents, street furniture, and play equipment, but the cover in place was lower than the value noted in the fixed asset register (in the case of the play equipment, cover was £421k against a register value of £752k). The Finance Officer & Deputy RFO noted that the insurer is provided with the fixed asset register to assist them with compiling the quote, and that the discrepancy between the figures will be picked up with them at the next renewal. This has not happened in 23/24. I recommend that the level of cover is reviewed against the fixed asset register when the 24/25 cover is renewed, in order to ensure that insurance cover is adequate and appropriate.	H	To diarise to pick up in January 2025 at renewal.	Finance Officer & Deputy RFO	31.01.2025
3.3 – Ensure all minutes are on the website	I reviewed the minute to confirm that there was no unusual financial activity. I found no such activity, but did note that: Personnel - Minutes of the meeting of 11/12/23 were not shown on the Council website. I recommend that the minutes are added to the website in	L	Add Personnel Minutes to website.	Finance Officer & Deputy RFO	3.05.2024

	order to ensure that a complete record of approved Council business and decisions is available to electors in accordance with Transparency requirements.				
10.1 – Correct small prepayment overstatement in 24/25 as planned, and check RIA calculation at year end	I checked to see that debtors and creditors had been properly recorded. I found that the value of year end prepayments was £26,871.19, but that the underlying schedule recorded a total of £26,846.17, a difference of £25.02. £25 of this related to a slight over-adjustment, meaning that year-end debtors was slightly over-stated, and year-end expenditure slightly understated. As this is not material, it will be corrected in the 24/25 financial year. The 2p appears to be a rounding difference relating to cumulative prior year adjustments and which may need to be written off in order to ensure that year end debtors are correctly stated in future. I also found that the Rent in Advance calculation for allotment income was based on the total income to date as at 22/09/23 after the main invoice run. The amount due in relation to 24/25 at that point was £1561.87. Further transactions to the year-end indicate the total carry forward should have been £1582.37, a difference of £20.50. This means that 23/24 income and creditors is slightly understated. This is not material to adjust for 23/24. I recommend that the £25.02 is corrected in the 24/25 financial year, and that the value of the year end RIA adjustment is checked at the year-end in 24/25 in order to see whether the balance accrued needs to be amended.	L	Pre-payments corrected pre-audit. Pre-year end check for 24/25 now diarised.	Finance Officer & Deputy RFO.	05.04.2024 30.04.2025