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29 April 2024

Knockin Parish Council

Ladies and Gentlemen

I have again been appointed as your Internal Auditor and am employed by the Council to conduct such tests as are agreed and are sufficient to enable me to complete the Internal Auditor's Report contained within the Audit Commission's Annual Return Form for the appropriate financial year.

My report this year is again based on the Guide issued by the Joint Panel on Accounting Guidance (JPAG). Whilst the tests I have made are taken from the Practitioners' Guide, they are relevant to the various headings on the Annual internal audit report. I have again given my rationale for the answers given on that report.

A. Appropriate accounting records have been kept properly throughout the year.

Appropriate books of account have been kept properly throughout the year. A Cash Book is maintained, is up to date, regularly balanced and the reconciliation of the cash book balance and the bank statement is regularly agreed by the council and minuted. The books are made up to 31st March 2024 and were audited by me on 29th April 2024.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

I checked the Income received and also the invoices paid. I tested a sample of the payment transactions and found them to be satisfactory. Where applicable, prior to authorisation, the invoice is checked by the Clerk. All expenditure has been approved and from the samples checked, this is being done. VAT on payments has been identified and recorded separately. The Standing Orders were revised in 2014 and are reviewed annually at the May meeting of the Council (ref minute 154/23.a), the Financial Regulations (ref minute 154/23.b) as were the other policies operated by the Council, (ref. minutes 154/23.d-h).

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these during the year. The Risk Assessment policy was discussed and approved by the council, when it was re-visited at the June 2023 meeting, (ref. minute 167/23.e.(i)). The existing Insurance cover was reviewed under minute 156/23.d and runs from 1 June 2023 to 31 May 2024.

D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate.

A budget was drawn up and was discussed and approved by the Council at their meeting on 9th January 2024. An Expenditure budget of £17364 was agreed and a Precept of £17364 was set, this being a 4.48% increase which equates to an increase of £2.02 on the Band D Council Tax Charge. The budget was approved under minute 08.24.b and the Precept under minute 08.24.c. The unrestricted reserves of the Council totalling 13478.03 and restricted reserves of £10853.64 are adequate. The budget is regularly monitored and duly minuted, see minute 07.24.d).

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.

All income has been received, is properly recorded and promptly banked where applicable. The recorded precept of £16620 agrees to the Council Tax authority's notification. The council does not deal in cash or near cash items. VAT has been properly accounted for and has been claimed up to 31 March 2023, and the refund

for that claim amounting to £5094.49 was received on 30 January 2024. A claim for 2023-24 has recently been made.

F. The Council does not deal in Petty Cash.

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.

The existing clerk has a Contract of Employment, which is based on the NALC model. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied and payments to HMRC are up to date. The Clerk's salary was duly approved and minuted.

H. Asset and investment registers were complete and accurate and properly maintained.

The council has an Asset register which is complete and accurate and properly maintained. The value of the assets totals 40849. It was reviewed on 9th January 2024 under minute 09.24.a. The council does not have an investment register as it has no investments.

I. Periodic bank account reconciliations were properly carried out during the year.

Periodic and year end reconciliations have been carried out and there is evidence that this has been done and the reconciliations have been checked.

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.

Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, and supported by an adequate audit trail. At the year-end there are no unexplained balancing entries in either reconciliation, The year-end accounts have been prepared on the correct accounting basis and the value of investments held is not applicable. At the year end, there is an original bank statement.

K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick ("not covered")).

The authority did not certify itself as exempt in 2022/23 despite being eligible and a limited assurance review was undertaken.

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.

The authority has published the required information on the website.

M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023/24 AGAR period, were public rights in relation to the 2022/23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).

This exercise was correctly provided for and the exercise was duly minuted.

N. The authority has complied with the publication requirements for 2022/23 AGAR. (see AGAR Page 1 Guidance Notes).

The authority has complied with the requirements.

O. (For local councils only).

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Not applicable.

Conclusion.

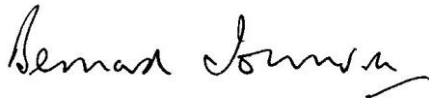
I have marked all the categories on the internal audit form as conforming to the required standard on the basis that under risk management there is little or no risk attached to the council from any of the comments I have made.

From my internal audit testing there is no evidence of any irregularities

I was obviously aware of the problems with the new clerk who was appointed from February 2023, and who resigned. The previous clerk took over again until a replacement was found and I would like to thank her for her assistance. A new clerk was appointed in November 2023 and I have known Amy as another exceptional clerk for a number of Parish Councils. I would therefore like to also thank Amy for the way the accounts and records have been prepared and she has conformed to all the required standards on the Internal Audit form.

As usual, the points I have commented upon in my report come from the internal control testing appendix and should provide the basis on which the council's own internal controls are set.

Yours faithfully

A handwritten signature in black ink, appearing to read "Bernard Townson". The signature is written in a cursive style with a long, sweeping underline.

Bernard Townson
Internal Auditor
29th April 2024