

# Internal Audit report

## **Kingston Bagpuize Parish Council**

Year Ending 31 March  
2024

**Internal Auditor: Lisa Wilkinson**

**This internal audit report is based upon the Practitioners' Guide to Governance and Accountability in Local Authorities.**

# Internal Audit Summary Checklist Report for Kingston Bagpuize with Southmoor Parish Council

**Year Ending: 31 March 2024**

<b>Name of Council</b>	<b>Kingston Bagpuize with Southmoor Parish Council</b>	<b>Name of Clerk to the Council</b>	Sarah Bates
<b>No. Of Councillors</b>	9	<b>Name of RFO</b>	Sarah Bates
<b>Quorum</b>	3	<b>Precept (for audit year)</b>	<b>£105,557</b>
<b>Electorate</b>	<b>3158</b>	<b>Gross budgeted income</b>	<b>£107,999</b>

1. Book-Keeping		Comments & Recommendations
1.1	Ledger maintained & up to date?	The accounts are kept using Rialtas Alpha accounting software (designed for Parish Councils). Accounts have been transferred to income and expenditure basis this financial year due to receipt of over £200,000 for the last 2 years (S106 contributions). They were balanced and up to date for Year End
1.2	Arithmetic correct?	Checks of the accounting confirmed that the cashbook arithmetic was correct.
1.3	Evidence of internal control?	<ul style="list-style-type: none"> <li>Internal audit</li> <li>Risk assessment</li> <li>Budgetary control and monitoring</li> <li>Bank reconciliations</li> <li>Finance committee</li> </ul>
1.4	VAT evidence, recording and reclaimed?	The Council is able to recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is made quarterly. The VAT reclaim for Q3 for this financial year of £4,961.95 was supplied.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	See Detailed schedule in Compliance Testing Report. All payments are listed in the minutes. Names of councillors to authorise the payments at each meeting are minuted. The clerk has a council credit card with a limit of £500 per transaction. Balances are paid off in full each month.
1.6	Is GPC expenditure separately recorded and within statutory limits?	<b>Yes</b>

## Internal Audit Summary Checklist Report for Kingston Bagpuize with Southmoor Parish Council

**Year Ending: 31 March 2024**

1.7	Is GPC expenditure of direct benefit to the electorate?	Yes	
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2. Due Process			Comments & Recommendations
2.1	Standing Orders adopted and reviewed regularly?	Yes -	Standing orders were reviewed in February 2024.
2.2	Standing Orders reviewed at Annual Meeting?	Yes	
2.3	Financial Regulations adopted and properly tailored to Council?	Yes	May 2023 The current Financial Regulations are based on the NALC model Financial Regulations and adapted to suit the specific needs of the Council. They were reviewed at the Annual Meeting.
2.4	Equal Opportunities policy adopted?	Yes	Last reviewed November 2022
2.5	RFO appointed?	Yes	Sarah Bates is the RFO
2.6	List of member's interests held?	Yes	The Clerk maintains and updates the list of member's interests as required.
2.7	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	The clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and on notice boards three clear days in advance of the meetings
2.8	Purchase orders raised for all expenditure?	Yes	Most orders for goods and services are made by or confirmed by email by the clerk.
2.9	Purchasing authority defined in Financial Regulations?	Yes	The Financial Regulations (item 11h) stipulate the purchasing approval: below £3000 and above £100 the clerk shall strive to obtain 3 estimates, over £3000 and less than £25,00 requires 3 quotes, over £25,000 tenders from 3 firms are required.
2.10	Legal powers identified in minutes and/or ledger?	Yes	Identified in minutes.
2.11	Committee terms of reference exist and have been reviewed?	Yes	Planning terms of reference were supplied.

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

3. Risk Management			Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	No	Minutes are prepared for all meetings of the Council. No unusual financial activity was found in the minutes reviewed; Council minutes are available to view on the Council's website.
3.2	Is an annual risk assessment carried out?	Yes	The Council has a formal risk management policy in place covering many of the areas of risk the Council may be faced with This is reviewed every 2 years: next review November 2024. The Council's Risk Assessment/Internal Controls is reviewed annually: next review June 2024.
3.3	Is Insurance cover appropriate and adequate?	Yes	The level and range of insurance cover (£12m public) is adequate for the size of the Council.
3.4	Evidence of annual insurance review?	Yes	The insurance is reviewed regularly to ensure best value is obtained, with a full review undertaken every 3 years when a long-term agreement is taken out. The current 3-year long-term agreement ends in June 2025.
3.5	Internal financial controls documented and evidenced?	Yes	Stipulated in the Standing Orders, Financial Regulations and Risk Management and minutes.
	Review of effectiveness of internal control	Yes	This was undertaken 5/6/2023.
3.6	Minutes initialled, each page identified and overall signed?	Yes	Minutes of all Council meetings are signed by the meeting chair and dated. Each page is numbered and each item has a unique identifier.
3.7	Regular reporting and minuting of bank balances?	Yes	Bank balances are presented to Council at meetings.
3.8	S137/GPC expenditure minuted?	Yes	

4. Budget			Comments & Recommendations
4.1	Annual budget prepared to support precept and adopted by Council?	Yes	A budget is prepared annually. The budget for this financial year was approved at meeting dated 9 January 2023 item 191.
4.3	Any reserves earmarked?	Yes	Total in earmarked reserves at 31 March 2022 £86862.

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

4.4	Any unexplained variances from budget?	No	
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4.5	Precept demand correctly minuted?	Yes	The approved precept demand of £105,557 was forwarded to VWHDC by the deadline and was correctly minuted.
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5. Payroll - Clerk		Comments & Recommendations	
5.1	Contract of employment?	Yes	
5.2	Tax code issued/contracted out?	Yes	
5.3	PAYE/NI evidence?	Yes	Payslip for June 2023 provided.
5.4	Has Council approved the salary paid?	Yes	Salary and hours increase minuted November 2023 Statutory pay rise (NALC) minuted December 2023
5.5	Does the Council have employers' liability cover?	Yes	

5. Payroll - Clerk		Comments & Recommendations	
5.5	Other payments reasonable and approved by Council?	No	Not applicable

6. Asset Control		Comments & Recommendations	
6.1	Does the Council keep a register of all material assets owned?	Yes	The Clerk is responsible for maintaining the asset register.
6.2	Is the asset register up to date?	Yes	The asset register is up to date. It was reviewed May 2023. A new printer has been bought during this financial year.
6.3	Value of individual assets included?	Yes	All assets have an individual value on the asset register.
6.4	Inspected for risk and health and safety?	Yes	Playground and leisure equipment is inspected every month by the council and every 3 months by ROSPA. The council owned pavilion has fire equipment, which is risk checked weekly, with a fire safety inspection held every 6 months. Gas equipment is checked annually.

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

6.5	Land and Building asset register?	No	Land and buildings included in the Register of Assets
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7. Bank Reconciliation			Comments & Recommendations
7.1	Is there a bank reconciliation for each account?	Yes	The Council holds the following bank accounts, all of which were operating at the start of the financial year; Unity Trust current account 1680 Unity Trust Instant Access account 1693
7.2	Reconciliation carried out on receipt of statement?	Yes	Bank reconciliation carried out monthly
7.3	Any unexplained balancing entries in any reconciliation?	No	Actual vs budget is carried out quarterly. September 2023 report provided.
7.4	Is the bank mandate up to date?	Yes	There are four signatories. The clerk sets up payments. These are approved by the council at its monthly meetings and two signatories appointed to authorise. The clerk provides an electronic checklist of payments and access to the invoices for the signatories, who check, authorise and then sign electronically (using Adobe software) and return the checklist to the clerk for filing.

8. Year-End Procedures			Comments & Recommendations
8.1	Year-end accounts prepared on correct accounting basis?	Yes	Accounts have been transferred to an Income & Expenditure basis.
8.2	Bank statements and ledger reconcile?	Yes	
8.3	Underlying financial trail from records to presented accounts?	Yes	The accounting system provides a satisfactory audit trail to the underlying financial records.
8.4	Where applicable, debtors and creditors properly recorded?	Yes	
8.5	Has Council agreed, signed and minuted sections 1 & 2 of the AGAR (Annual Return)?	Yes	For year 2023-24, Section 1-Annual Governance Statement, Section 2-Accounting Statement were signed and minuted by Council on 5/06/2023. The internal audit report and dated for public rights were also agreed at this meeting.

9. Miscellaneous	Comments & Recommendations
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## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

9.1	Have points raised at the last internal audit been addressed?	N/A	No points raised
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10. Miscellaneous			Comments & Recommendations
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	Updated August 2022
10.3	Is eligibility for the General Power of Competence properly evidenced?	Yes	Minuted December 2023. All 9 councillors elected May 2023. Clerk has achieved CiLCA qualification.
10.4	Are all electronic files backed up?	Yes	Microsoft One Drive is used.
10.5	Do arrangements for the public inspection of records exist?	Yes	The Transparency Act requires a significant amount of Council data to be available on the Council's website. Notice of public rights is displayed as per external audit instructions.

11. Charities			Comments & Recommendations
11.1	Charities reported and accounted separately?	N/A	
11.2	Have the Charity accounts been separately audited?	N/A	
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	N/A	

12. Burial Authorities			Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	Yes	Invoices are issued for burial ground fees, and a nominal ledger is kept.
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes	Fees and rules & regs shown on the website
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	Yes	Separate physical files are held for interments and burials. Electronic copies also kept since 2022, all documents stored in OneDrive. BG register and plan of plots updated electronically and printed out to store in file after each new burial or interment.
12.4	Do all interment of ashes have a certificate of cremation?	Yes	

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	Yes	
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13. Income Controls			Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	Income is only from precept, OCC grass cutting grant and burial ground fees. These are all paid by BACs (for burial ground an invoice is issued). Remittances where received are filed physically and electronically and amounts entered in accounts (software).
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The precept was received in the following instalments and recorded in the accounts: April 2023: £52,778.50 (50% of annual precept). September 2023: £52,778.50 (50% of annual precept) The total precept received was £105557 as per the VWHDC notification
13.3	Are security controls over cash adequate and effective?	Yes	No cash is received.

14. Petty Cash			Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	No petty cash is used
14.2	Is petty cash expenditure reported to Council?	N/A	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

15. Accessibility/Transparency			Comments & Recommendations
15.1	Are the following documents published on the website as per Transparency Code 2015:  <ul style="list-style-type: none"> <li>• Annual governance statement</li> </ul>	Yes	All displayed as required.



## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

	<ul style="list-style-type: none"> <li>• Accounting statement</li> <li>• Internal audit report</li> <li>• List of councillor responsibilities</li> <li>• The details of public land and building assets</li> <li>• Minutes, agendas and meeting papers of formal meetings</li> </ul>		
15.2	<b>Is the website accessible as per The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018?</b>	Yes	A website hosted by Netwise, a specialist Local Council provider, is used
15.3	<b>Has an Accessibility Statement been published on the website?</b>	Yes	

16. Freedom of Information/GDPR		Comments & Recommendations	
16.1	<b>Is the Council registered with ICO?</b>	Yes	
16.2	<b>GDPR: Freedom of Information publication scheme Data Protection policy Retention and Disposal of Documents policy Privacy Notice</b>	Yes Yes No Yes	Other policies adopted: Equality, diversity & Inclusion policy Health & Safety policy Fire safety policy Complaints & Grievance policy Tree management policy
15.3	<b>Are the above documents published on the Council's website?</b>	Yes	.

<u>Check No.</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>Transaction type</u>	Purchase	Purchase	Salary
<u>Supplier/Customer</u>	Logs Unlimited	Green Space Designs Ltd	Sarah Bates
<u>Invoice/Transaction No.</u>		502	
<u>Invoice/Transaction date</u>	30/11/23	1/2/24	June 23

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

<b><u>Goods/services supplied</u></b>	Grounds maintenance	Deposit for benches	Salary
<b><u>Ledger date</u></b>	?	6/2/24	26/6/23
<b><u>Item/Budget heading</u></b>	120	170 S106 public arts monies	110
<b><u>Ref/cheque No.</u></b>			
<b><u>Authorised by</u></b>	Cllrs Grant & Clemence	Cllrs Grant & Bello	Cllrs Grant & Bello
<b><u>Delivery evidence</u></b>	?	?	
<b><u>Payment minute ref</u></b>	November 2023	February 2024	June 2023
<b><u>Payment value</u></b>	925.20	1957.50	
<b><u>Bank Statement value</u></b>	925.20	1957.50	
<b><u>Payment Date</u></b>	5/12/2024	6/2/24	26/6/24
<b><u>Timely payment</u></b>	Yes	Yes	Yes
<b><u>VAT recorded</u></b>	Yes	Yes	N/A
<b><u>GPC recorded in ledger</u></b>	N/A	N/A	N/A
<b><u>GPC minuted</u></b>	N/A	N/A	N/A
<b><u>Notes</u></b>			
<b><u>Pass</u></b>	√	√	√

### Any further comments

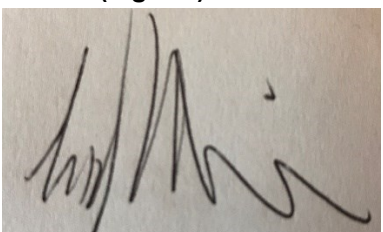
The overall internal audit assurance rating is: EXCELLENT.  
**No recommendations.**  
 I would like to commend the clerk for her excellent governance of the Council.

## Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council

**Year Ending: 31 March 2024**

### Acknowledgments

The help and co-operation of Sarah Bates, Clerk to the Council, is much appreciated by the internal auditor.

<b>Internal audit carried out by</b>	(signed) 	(print) <b>Lisa Wilkinson</b>
<b>Audit type (delete as appropriate)</b>	<del>INTERIM</del> <b>ANNUAL</b>	
<b>Date 26/4/24</b>		

### For internal auditor's use only

<b>Part 3 of Annual Return form completed and signed</b>	
<b>Internal audit report/letter sent to Council</b>	

<b>2023-2024 ANNUAL RETURN</b>		<b>Year Ending 31 March 2023</b>	<b>Year Ending 31 March 20224</b>
<b>1</b>	<b>Balances brought forward</b>	<b>95,415</b>	<b>139,128</b>
<b>2</b>	<b>Annual precept</b>	<b>100,000</b>	<b>105,557</b>
<b>3</b>	<b>Total other receipts</b>	<b>548,376</b>	<b>47,938</b>
<b>4</b>	<b>Staff costs</b>	<b>23,413</b>	<b>30,083</b>
<b>5</b>	<b>Loan interest/capital repayments</b>	<b>0</b>	<b>0</b>
<b>6</b>	<b>Total other payments</b>	<b>581,250</b>	<b>83,062</b>

**Internal Audit Summary Checklist Report for Kingston Bagpuize Parish Council**

**Year Ending: 31 March 2024**

<b>7</b>	<b>Balances carried forward</b>	<b>139,128</b>	<b>179,478</b>
<b>8</b>	<b>Total cash and investments</b>	<b>145,688</b>	<b>182,735</b>
<b>9</b>	<b>Total fixed assets and long-term assets</b>	<b>871,099</b>	<b>871,186</b>
<b>10</b>	<b>Total borrowings</b>	<b>0</b>	<b>0</b>
<b>11</b>	<b>The Council acts as a sole trustee for and is responsible for managing Trust funds or assets</b>	<b>No</b>	<b>No</b>