

Recommendations from the 2023/2024 Internal Audit
Shiplake Parish Council
Final Report 25.04.24

Annual Return Section	Process	Findings	Recommendations and actions
A	Bookkeeping Arrangements	Appropriate books of account have been kept properly throughout the year and are well maintained with audit trails.	No further recommendations.
B	Council's Financial Regulations have been met with regard to expenditure	The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	Financial Regulations should be reviewed by the Parish Council each year and reflect the NALC model. The template is available on the NALC web site.
C	Review of Internal Controls	The Council does have adequate provision.	A policy for Internal Financial Control has been adopted and to strengthen the controls, a Councillor should be nominated by the Parish Council as being responsible for Internal Controls. This should ideally, not be a Councillor who is a signatory on the PC bank account. If it is unavoidable and the Councillor responsible for Internal Controls is a bank signatory, then the Councillors should approve payments if no other Councillors are available to do so. The nominated Councillor should then check and sign each month: all invoices, uncashed payments list, uncashed receipts list, bank statements and bank reconciliation. A checklist would also be helpful to ensure these items are covered off each month. All invoices should be stamped with the Clerk's initials, date of the

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			release of payment, Scribe code and the budget cost centre. Bank signatories should be reviewed regularly and consideration be given to use of a debit card for the Clerk.
C	Review of Risk Assessment	The Council has not recently assessed the significant risks to achieving its objectives using their Risk Assessment. The Financial Risk Assessment on the Parish Council website covers the period 1 April 2022 to 31 March 2023 and is dated 8 March 2021. The LCRS Risk Assessment covers the period 2022/2023 and is dated 22 November 2022. .	Ensure that Risk Assessments are reviewed annually, preferably at the beginning of the Financial year.
D	Budgetary Controls (Precept requirement)	The annual Precept requirement resulted from a budgetary process.	The budget amount, detailing income and expenditure should be minuted separately.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.	At each meeting, the Parish Council should review the income and expenditure against the budget, but a quarterly review would be acceptable.
D	Reserves were appropriate	Reserves required more explanation.	The Reserves Policy should include the levels of ear-marked and general reserves and detail how the reserves are intended to be spent.

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D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.
E	Income controls	Expected income was fully received and properly recorded.	No further recommendations.
E	VAT	VAT had been appropriately accounted for.	No further recommendations.
F	Petty cash controls	Petty cash is not operated by the Council.	No further recommendations.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals.	Consideration be given to employing a payroll company to run the monthly payroll. Documentation supporting the Clerks payments for salary & expenses and HMRC payments should be uploaded to Scribe and be checked along with all other payments the Parish Council authorises. Currently there is no audit trail on Scribe, relating to the Clerks salary and the HMRC payments. This information can be downloaded from HMRC Basic PAYE Tools when the monthly payroll is run.
H	Asset Controls - all material assets correctly recorded	An asset register was published on the web site for 2022/2023 web site, but it is unclear when it was last reviewed. The Annual Return states an increase in assets during 2023/2024 of £42,443.99 but I am unable to find the 2023/2024 register to note the	The Asset Register must be reviewed, updated and published annually. It is noted that the Clerk has now uploaded the updated Assets Register to the Parish Council web site.

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		additional items.	
H	Asset Controls - all additions and removals correctly recorded	Items were added – see above.	The Asset Register must be reviewed, updated and published annually.
H	Asset Controls - all Deeds and Titles established and shown on register?	It is not clear whether appropriate Deeds and Titles have been established; they are not shown on the Register.	Ensure that all Deeds and Titles are established. The Parish Council could consider including photographs of all assets in the Assets Register and loading version onto the web site.
H	Investment Registers	The Parish Council has an Investments Policy.	No further recommendations.
I	Bank Reconciliations	Periodic and year-end reconciliations were properly carried out.	No further recommendations.
J	Accounting Statements	The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.	No further recommendations.
K	Limited Assurance Review Exemption	The Council meets the exemption criteria.	N/A
L	Information published on website	The information is available.	No further recommendations.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 12 June to 21 July 2023.	No further recommendations.

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N	AGAR publication Requirements	The Parish Council complied with the publication requirements for the 2022/2023 AGAR.	No further recommendations.
O	Trust funds (If applicable) – the Council met its responsibilities as a trustee	The Parish Council does not operate as a trustee.	No further recommendations.

Transparency Compliance

Process	Criteria	Findings	Recommendations and actions
Review of Internal audit action plan has been considered and actioned?	Good Practice	The Internal Audit has been reviewed the previous year.	The Internal Auditor's report for 2022/2023 was considered by the Parish Council. It is clear from referencing the IA report for 2022/2023 that some recommendations were actioned. However, I would recommend a full report is submitted to the Parish Council listing the IA's recommendations for 2023/2024 and the actions taken, as this would ensure the Parish Council is meeting all of its obligations.

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Accounting Statements agreed and reconciled to the Annual Return	Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.	Both reconcile.	No further recommendations.
Compliance with the Transparency Code	Whilst the Parish does not fall into the criteria for Councils below the £25k threshold, it is good practice to conform to the criteria and publish the items below.		
Compliance with the Transparency Code	1) Expenditure over £100 is recorded on the Council website and with all information requirements	Available in the minutes.	No further recommendations.
Compliance with the Transparency Code	2) Annual Return published on the website	Available on the website.	No further recommendations.
Compliance with the Transparency Code	3) Explanation of significant variances	Available on the website.	No further recommendations.
Compliance with the Transparency Code	4) Explanation of difference between Box 7 & 8 if applicable	Not applicable.	No further recommendations.
Compliance with the Transparency Code	5) Annual Governance Statement recorded	Available on the website.	No further recommendations.
Compliance with the Transparency Code	6) Internal Audit Report Published	Available on the website.	No further recommendations.
Compliance with the Transparency Code	7) A List of Councillors' responsibilities	Available on the website.	No further recommendations.
Compliance with the Transparency Code	8) Details of Public Land and Building Assets	Not currently available for 2023/2024	Publish up to date Asset Register on Parish Council website.
Compliance with the Transparency Code	9) Minutes & Agenda	Available on the website.	No further recommendations.

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Further Recommendations:

Following the completion of the Internal Audit, the Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015. The review on the web site for 2022/2023 contains no information relating to areas of development and has not been signed and dated.

Staffing – I recommend that the Clerk has an annual appraisal and that a Staffing Committee is established to undertake this process. Details of the Terms of Reference for a Staffing Committee are available from OALC.

Standing Orders & Financial Regulations – These should be reviewed by the Parish Council each year and reflect the NALC model. The template is available on the NALC web site.

Training - The Clerk should be supported in any training which he requires; of particular use to start would be the Introduction to Local Council Administration (ILCA) or FILCA (Financial Introduction to Local Council Administration together with any courses provided by OALC and SLCC.

Councillors should also be encouraged to attend any relevant training offered by OALC.

Document Management – If not already implemented, a Document Retention policy should be adopted to assist in items to archive.

Councillor Email Accounts - As part of GDPR, it is recommended that all Councillors should use the email addresses provided for them by the Council. These should preferably be from the Council's domain name using '.gov.uk'