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Mrs L Tuck  
Clerk to Charmouth Parish Council  
The Elms  
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14 May 2024

Dear Lisa

## **CHARMOUTH PARISH COUNCIL**

### **Internal audit report - Year ended 31 March 2024**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2023-24 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council in July 2022 for a period of three years to 2024-25.

The second audit review for 2023-24 was undertaken on 14 May 2024. Tim Light FMAAT assisted with the audit work.

## **Background**

The Clerk commenced employment with the Council in 1995. The Clerk obtained her CiLCA qualification in the summer of 2021.

Charmouth Parish Council has income and expenditure of between £300,000 and £400,000 and is subject to review by the external auditor, BDO LLP. The Council had a clean annual report from the external auditor for 2022-23.

The Council is not a sole managing trustee.

The Council has income and expenditure in excess of £200,000 and it is best practice for the Council to comply with the Local Government Transparency Code 2015.

## **Internal audit checks**

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit we checked the following:

- Minutes of Council Meetings
- Bank and cash
- Petty cash
- Income
- Expenditure
- VAT claims
- Payroll
- Risk assessment
- Asset register
- Transparency
- Action taken on the recommendations in prior report
- Year end checks

## **Findings**

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Clerk is CiLCA qualified
- The Council maintains its books and records on Scribe software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- The Finance Committee takes an active scrutiny role

### **Good practice - continued**

- Councillors attend training by the local branch of the National Association of Local Councils
- Councillors undertake regular spot checks throughout the year
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- There are strong internal controls over cash receipts
- Moneysoft is used for the payroll
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- Adequate insurance is in place
- Action has been taken, or is underway on all of the recommendations in the last internal audit report
- The Council complies with the Local Government Transparency Code (2015)

### **Recommendations**

- There are no recommendations

### **Other matters to be brought to the Council's attention**

- The Annual Internal Audit Report was completed with positive responses to all relevant objectives.

### **Conclusion**

Based on the tests we have carried out, in our view, the internal control procedures in operation are adequate to meet the needs of Charmouth Parish Council.

### **Next Steps**

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely



Bridget Bowen FCA

Internal auditor