

Audit Report

Stoke Park and Cheswick Parish Council

Audit Plan Year: 2023/24 In Year Assurance

Audit Status: Audit Completed

Audit Review Date: 1st May 2024

Report Distribution:

Graham Smith – Parish Clerk & RFO to Stoke Park and Cheswick Parish Council

1. Objective

The objective of the audit was to provide an independent opinion on the appropriateness of the financial control procedures operated in the Council. Kerry Woodey, Senior Audit Officer examined these procedures.

2. Opinion

The highlighted wording in the table below provides the opinion for this internal audit review and its accompanying description.

High Standard	Systems and processes are excellent providing good assurance. Significant strengths have been identified and are to be commended, any recommendations made will serve to further strengthen existing arrangements.
Reliable Standard	There are very few significant matters arising from the audit, systems of control are good and provide reasonable assurance.
Improvements Required	Existing procedures need to be improved in order to ensure that they are fully reliable. Extensive recommendations have been made but the issues are not of such a significance to represent a major risk to the Council.
Significant Improvements Required	Existing procedures are weak and reasonable assurance could not be provided over a number of areas. Prompt action is necessary to improve the situation and avoid unnecessary risks.
Fundamental Weaknesses Identified	The matters arising from the audit identify that there are fundamental weaknesses which place doubt on the reliability of the procedures reviewed. Urgent action is necessary to improve the current situation and reduce risk exposure.

3. Key Strengths

- The Council has regular and quorate meetings, which contain adequate information and are numbered.
- A sample of payments made by the Council were reviewed, invoices were available and retained. All transactions were bonafide and payments presented to Council for authorisation.
- An employment contract is in place for the permanent member of Council staff.
- The Council’s budget is monitored monthly and presented to the Council for review.

4. Key Risks

- The Council’s insurance does not include all assets held by the Parish Council.
- The procurement thresholds noted in the financial regulations are out of date.

5. Key Actions

- The insurance schedule should be reviewed and updated to ensure Council assets are adequately covered.
- The financial regulations should be reviewed, and procurement thresholds updated.

All of the matters arising from the audit are detailed in the Action Plan together with suitable recommendations.

7. The Control Environment

Key Control Objectives		Achieved?
A.	Appropriate accounting records have been kept properly throughout the financial year.	Yes
B.	The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Yes
C.	The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes
D.	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes
E.	Expected income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	Yes
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	N/A
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.	Yes
H.	Asset and investment registers were complete and accurate and properly maintained.	Yes
I	Periodic bank account reconciliations were properly carried out during the year.	Yes
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.	Yes
K	Councils with turnover of below £25,000. 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. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i> .	Not currently applicable to any SGC clients.
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.	Yes
M	The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and / or authority approved minutes confirming the dates set)</i> .	N/A
N	The authority has complied with the publication requirements for 2022/23 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	N/A

O	Trust funds (including charitable) - The council met its responsibilities as a trustee.	N/A
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8. Auditors & Acknowledgements

Audit Manager	Justine Lawson
Auditor	Kerry Woodey

We are extremely grateful to the following officers for their help during this review:

Graham Smith – Parish Clerk & RFO to Stoke Park and Cheswick Parish Council

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer ; Proposed Timescale
Priority: High				
1	<p><u>Parish Council Insurance Schedule</u></p> <p>The Parish Council's insurance policy does not cover all assets listed on the Council's asset register.</p>	<p>There is a risk that the Council does not have adequate insurance in the event of a claim.</p>	<p>Recommendation</p> <p>The insurance schedule should be reviewed against the Council's asset register to ensure all items are appropriately insured. The insurance company should be provided with a copy of the asset register annually so that they can make sure the Parish Council has a sufficient level of insurance cover for its assets. The value on the insurance schedule and asset register can then be used to complete the figures on the AGAR for box 8.</p>	<p>Responsible Officer</p> <p>Clerk to Stoke Park and Cheswick Parish Council</p> <p>Target Implementation Date</p> <p>28/06/2024</p>
Priority: Low				
2	<p><u>Procurement Thresholds</u></p> <p>The thresholds noted in the Financial Regulations pages 15 & 16 are out of date.</p>	<p>Incorrect thresholds for tendering could be used in error.</p>	<p>Recommendation</p> <p>The Parish Councils Standing Orders and Financial Regulations should be updated to reflect the correct and most up to date tendering thresholds and limits. As of 1st January 2024, this has now increased to £214,904 & Works £5,372,609.</p> <p>Awareness should be maintained of any future updates to thresholds, and these should be updated into the standing orders when required.</p> <p>https://www.gov.uk/government/publications/ppn-1123-new-thresholds/procurement-policy-note-1123-new-thresholds-html</p>	<p>Responsible Officer</p> <p>Clerk to Stoke Park and Cheswick Parish Council</p> <p>Target Implementation Date</p> <p>28/06/2024</p>