

Audit Report

Alveston Parish Council

Audit Plan Year: Jan - Mar 2024 In Year Assurance

Audit Status: Audit Completed

Audit Review Date: 10th January 2024

Report Distribution:

Graham Smith - Clerk to Alveston 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. Ehsamuddin Popal, 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

- Bank reconciliation, financial reports and budget reports are prepared by Clerk and presented to Full Council monthly.
- A sample of payments was reviewed, invoices were present for all payments and evidence of payments being presented to Council was available.
- The Parish Council has assessed and recorded the significant risks in an appropriate Risk Register which is reviewed annually.
- The Notice of Public Rights has been displayed for the statutory period and it is still available on the Council’s website.

4. Key Risks

- The incorrect thresholds for tendering could be used in error.

5. Key Actions

- To update the procurement thresholds within the Financial Regulations.

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

6. 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.	Test at Year end
K	Councils with turnover of below £25,000. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i> .	Not currently applicable to any SGC clients.
L	The authority publishes information on a free to access website / webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.	Not covered
M	The authority, during the previous year (2021-22) 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> .	Yes
N	The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	Yes
O	Trust funds (including charitable) - The council met its responsibilities as a trustee.	N/A

7. Auditors & Acknowledgements

Audit Manager	Justine Lawson
Auditor	Ehsamuddin Popal

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer; Proposed Timescale
Priority: Low				
1	<p><u>Procurement Thresholds</u></p> <p>The thresholds noted in the Financial Regulations are out of date and it is not aligning with Council’s Standing Orders.</p> <p>This issue was recommended in the previous audit, following this the Standing Orders were updated however no changes to the threshold contained within the Financial Regulations were made.</p> <p>Financial Regulation, Page 15, Contracts 1.94</p> <p><i>The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts.</i></p> <p><i>Thresholds currently applicable are:</i></p> <p><i>a. For public supply and public service contracts (£164,176)</i></p> <p><i>b. For public works contracts (£4,104,394)</i></p>	<p>Incorrect thresholds for tendering could be used in error.</p>	<p>Recommendation</p> <p>The Parish Councils Financial Regulations should be updated to align with Standing Order and reflect the correct and most up to date tendering thresholds and limits.</p> <p>As of 1st January 2022, this has now increased to £213,477 & Works £5,336,937.</p> <p>Awareness should be maintained of any future updates to thresholds, and these should be updated into both the Standing Orders and Financial Regulation when required.</p> <p>"https://www.gov.uk/government/publications/procurement-policy-note-0921-thresholds-and-inclusion-of-vat"Procurement Policy Note 10/21 – Thresholds and Inclusion of VAT - GOV.UK (www.gov.uk)</p>	<p>Responsible Officer</p> <p>Clerk / RFO</p> <p>Target Implementation Date</p> <p>01/04/2024</p>