Brian Inglis
Clerk to Chesterton Parish Council
And
Michael White
RFO to Chesterton Parish Council
Hanborough Parish Council

28th May 2024

Elaine Anstee
16 Foxwood
Aston
Oxfordshire
OX18 2DZ

Dear Brian, Michael and councillors,

Internal Audit – 2023-24 For the Attention of the Parish Council
I have carried out an internal audit review, acting independently, proportionally and basing this review on the requirements of the Annual Governance and Accountability Return for 2023-24 and JPAG Governance, Accountability for Smaller Authorities in England 2023 and Transparency Act 2015. I have looked at the assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls that should have been in operation during the financial year ended 31 March 2024.

I use the guidance noted above to ensure that all internal audits are conducted with due professional care, integrity, and independence. Conclusions arrived at as part of the audit are based upon objectivity and evidence. The internal audit is <u>not</u> a detailed inspection of all records and transactions of the Council to detect error or fraud. It is the periodic independent review of a Council's internal controls designed to support the development of effective and efficient procedures under the Council's control. The management of the Council's internal controls is the responsibility of the Council.

This audit has been carried out using the council's website and the summary document attached which was completed by the RFO prior to the audit. The use of the website for the internal audit is to enable the internal auditor to have the Transparency Guidance integral to the process. The form and 3 months of financial transactions were checked. The Clerk and RFO and I met via Zoom on 28th May 2024.

Internal Control Objectives 23-24
I have had to mark the internal control objectives (ICO) L, M and N as 'No' for the following reasons:

ICO L – This fails because Electors Rights for 2022-23 and Conclusion of Audit notice were not published on the website at the time of the internal audit.

ICO M – This fails for the following reasons. I could not check that the correct period for the Electors Right had been observed because the Electors Rights were not on the website. Additionally, the minutes for June 2023, which should have recorded the minute for the resolution in relation to the dates of public rights, were not on the website. Though I could request these and the notice from the clerk it does not meet the requirements of the audit and transparency guidance as they are not on the website.

ICO N – This fails because ICO l and ICO M have not been met.

With my report and the External Auditor report for 2022-23, which raised issues, points 4 and 7 of Section 1 of the AGAR for 2023-24 should not be ticked 'Yes' and a report for the External Auditor will need to be provided explaining why the Council has ticked 'No'.

Additional Notes from the internal audit:

1. The budget and precept resolved at the Finance Committee in November 2022 and included in the finance report for the December 2022 Full Council meeting but deferred for resolution at the January 2023 meeting. The Precept and budget for 2023-24 never resolved by Full Council. This is a statutory requirement.
2. The debit card use/policy is covered under sections 6.17 and 6.18 of the financial regulations but the risks are not covered on the risk assessment.
3. A review of the Transparency Guidance 2015 and what is currently on the website so that the council can confidently assert it meets the guidance is recommended.
4. Review of the effectiveness of internal audit should be done annually to support the council's risk and internal financial control management'. As, the council does not hold the General Power of Competence it should be stating the power it uses for each item of expenditure, this includes S137 for applicable grants. The RFO could review the Practitioners Guide 2024-25 to confirm the requirements. A new model Financial Regulations from NALC has been published in May 2024.
5. Parish Council Minutes must be held in perpetuity and if possible old minutes would be given to the safe keeping of the Oxford History Centre (OCC Archives) where they will be kept in climate control and fire safe conditions.
6. The Risk Assessment should be reviewed annually and be part of the internal financial controls. The one published on the website is for 2022.
7. The website is under a org.uk domain and all councillors have specific council emails which is good. However, recommended by NALC/SLCC and OALC for security and best practice is a gov.uk domain. This may be worth reviewing in the future.
8. This is my 3rd year of internal audit for Chesterton Parish Council, and my recommendation/best practice is that a tender process for an internal auditor be done for the 24-25 fiscal year.

In summary
The Parish Council has systems in place for internal financial control. There are approval and authorisation controls to minimise risk. There is audit and management trail for financial transactions.
The council has not met its publication and completion responsibilities in relation to the AGAR for 2023-24, 2022-23 and the previous 2 years. These are procedural issues, and all the information required is on the AGAR for correct and legal completion.

Yours sincerely

By email

Anstee BA Hons: Community Governance
Attachments:
Page 3 of the AGAR for 2023-24 – unsigned by email/signed by post.
Summary for 2023-24
Invoice Number 2023/2024/0003