

# Audit Report

## Stoke Lodge and The Common Parish Council

**Audit Plan Year:** 2023/24 In Year Assurance

**Audit Status:** Audit Completed

**Audit Review Date:** 5<sup>th</sup> February 2024

**Report Distribution:**

Annie Wherrett – Parish Clerk & RFO to Stoke Lodge and The Common Parish Council

## Audit Report: Stoke Lodge and The Common 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.

### • Key Strengths

- Bank reconciliations are completed monthly and authorised by Full Council.
- Budget reports are presented quarterly to Full Council.
- A sample of payments was reviewed, invoices were present for all payments and evidence of payments was presented to Full Council where the purchase value was more than £500.
- The Notice of Public Rights has been displayed for the statutory period and this has been documented within the relevant Council meeting minutes.

### • Key Risks

- Purchasing limits and procedures are unclear.
- Out of date guidance may be used by the Council.

### • Key Actions

- The Standing Orders and Financial Regulations should both be reviewed, updated and approved by Full Council.
- The investment policy should be reviewed, updated, and approved by Full Council.

### 6. Advisory Points

- None

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

**7. The Control Environment**

<b>Key Control Objectives</b>	<b>Achieved?</b>
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 published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	Test at Year End.
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	Yes

## Audit Report: Stoke Lodge and The Common Parish Council

	<i>(evidenced by the notice published on the website and / or authority approved minutes confirming the dates set).</i>	
N	The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	Yes
O	Trust funds (including charitable) - The council met its responsibilities as a trustee.	N/A

### 8. Auditors & Acknowledgements

Audit Manager	Justine Poulton
Auditor	Ehsamuddin Popal
We are extremely grateful to the following officers for their help during this review:	
Annie Wherrett	Parish Clerk & RFO to Stoke Lodge and The Common Parish Council

**Audit Report: Stoke Lodge and The Common Parish Council**

No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer; Proposed Timescale
<b>Priority: Medium</b>				
1	<p><b><u>Standing Orders and Financial Regulations</u></b></p> <p>The tender limits do not align between the standing orders and financial regulations.</p>	<p>Purchasing limits and procedures are unclear.</p>	<p><b>Recommendation</b></p> <p>The Standing Orders and Financial Regulations should both be reviewed and updated in conjunction with one another to align the tender and purchase limits in both documents.</p>	<p><b>Responsible Officer</b></p> <p>Clerk to Stoke Lodge and The Common Parish Council</p> <p><b>Target Implementation Date</b></p> <p>01/05/2024</p>
<b>Priority: Low</b>				
2	<p><b><u>Investment Strategy/Policy</u></b></p> <p>The Council has a bank balance in excess of £100,000. However, the investment policy is out of date.</p>	<p>Out of date guidance may be used by the Council.</p>	<p><b>Recommendation</b></p> <p>The investment policy should be reviewed and updated and then approved by the Full Council to reflect the current financial position. Where possible, consideration should be given to appointing independent expert advice for the investments.</p>	<p><b>Responsible Officer</b></p> <p>Clerk to Stoke Lodge and The Common Parish Council</p> <p><b>Target Implementation Date</b></p> <p>01/05/2024</p>