

LITTLE OAKLEY PARISH COUNCIL
INTERNAL AUDIT REVIEW of
INTERNAL CONTROL OBJECTIVES
ANNUAL GOVERNANCE and ACCOUNTABILITY RETURN (AGAR)
2024/2025

Control Objective A – Appropriate accounting records have been properly kept throughout the financial year.

Area Assessed	Question	Findings	Recommendations	LOPC's comments
A.1	Check that the correct opening balances have been brought forward for the current bank account number 20350824.	Yes. The closing cash book balance, for the current account as at 31 March 2024 was compared with the opening balance as at 1 April 2024 and was correctly brought forward.	No recommendations to make.	
A.2	Check that the correct opening balances have been brought forward for the savings bank account number 20350837.	Yes. The closing cash book balance, for the deposit account as at 31 March 2024 was compared with the opening balance as at 1 April 2024 and was correctly brought forward.	No recommendations to make.	
A.2	Does the LOPC use appropriate accounting records.	Yes. LOPC uses an excel workbook to record and provide an analysis of the transactions for the current and savings bank account.	No recommendations to make.	
A.3	Do the LOPC accounting records provide an accurate record of the Council's income and expenditure.	The transactions for both the current and savings accounts were agreed to the bank statements. However, it was noted that the analyses of income and expenditure for the current account were not correct as the formula that provided the analysis had been corrupted.	The clerk to ensure that the analysis formula is working, and that income and expenditure amounts fall into the right column and row.	

Control Objective B – This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
B.1	Is there evidence that all LOPC expenditure is approved for payment.	Yes. The Clerk prepares a LOPC payments list, which is presented at the council meetings for authorisation and approval. However, the council is approving expenditure for direct debit payments, which does not match the invoice from the supplier. E.g. A&J Lighting and SSE.	It is recommended that the payments list is updated for the changes in the direct debit amounts from suppliers. The invoices should be received by LOPC before the direct debit is taken from the bank account. If this is not the case the direct debit should be approved retrospectively with the correct amount.	Clerk to update payments list with changes in direct debit amounts from suppliers.
B.2	Are the payment amounts documented on the payment lists supported by suppliers' invoices or documentation.	In the main, invoices support the payments made by LOPC. The clerk's salary is supported by a completed timesheet	No recommendations to make.	
B.3	Does the LOPC properly account for VAT.	Yes. The clerk prepares a VAT worksheet, which details all input VAT to support the VAT reclaims. The worksheet can be agreed back to the VAT receipts.	No recommendations to make.	

Control Objective C – The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Area Assessed	Question	Findings	Recommendations	LOPC's comments
C.1	Is there a control framework that ensures that LOPC can assess and manage its risks?	Yes. The LOPC has a delegated Finance committee. The financial procedures have been documented. The full council meetings deal with governance.	No recommendations to make.	

Control Objective D – The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves were appropriate.

Area Assessed	Question	Findings	Recommendations	LOPC's comments
D.1	Does the LOPC maintain an adequate budgetary process?	Yes. The clerk prepares a comprehensive budget plan for the year. The Finance committee agree the precept and budget, and it is recorded in the minutes of the Finance committee meetings. The LOPC does not receive income from rates.	No recommendations to make.	
D.2	Is there evidence that the budget is monitored throughout the year against actual income and expenditure.?	Yes. The budget forecast review is an agenda item of the Finance committee meetings and this is documented in the minutes.	No recommendations to make.	

D.3	Consider whether the LOPC reserves are appropriate.	The LOPC has reserves of £69,600. This represents reserves of approximately 3 years of precept. All the reserves are held as bank balances, both current and savings accounts.	No recommendations to make.	
Control Objective E – Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
E.1	Review the LOPC budget and determine the expected income to be received.	A review of the LOPC budget, showed it to be very comprehensive regarding budgeted expenditure. However, projected income was not included. The income of the LOPC was identified to be precept, S106 or grant income.	It is recommended that the budget also includes expected income.	Noted. Clerk to include expected income in budget.
E.2	Verify the income is properly recorded and banked promptly.	Income is paid directly into the LOPC's bank account	No recommendations to make.	
E.3	Check whether output VAT is correctly accounted for.	There is no output VAT on the LOPC income. It is precept, S106 or grant income.	No recommendations to make.	

Control Objective F – Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.

Area Assessed	Question	Findings	Recommendations	LOPC's comments
F.1	Review all petty cash payments and ensure they are supported by receipts.	LOPC does not make petty cash payments. Councillors submit expense claims, these are supported by receipts, and claims are paid by bank transfer.	No recommendations to make.	
F.2	Verify that all petty cash expenditure is approved.	Councillors expense claims are included on the LOPC's payments list and are authorised and approved at the council meetings.	No recommendations to make.	
F.3	Check whether input VAT is correctly accounted for.	A review of the expense claims showed the input VAT had been correctly accounted for.	No recommendations to make.	

Control Objective 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.

Area Assessed	Question	Findings	Recommendations	LOPC's comments
G.1	Review the salaries paid by LOPC and determine that they were paid in accordance with authority's approvals.	The clerk is the only person paid a salary. Allowances are not paid to members. The clerk's salary is included on the LOPC's payments list and is authorised and approved at the council meetings	No recommendations to make.	

G.2	Determine whether PAYE and NI requirements were properly applied.	The LOPC uses an outside agency for its payroll requirements, who apply the PAYE and NI requirements.	No recommendations to make.	
Control Objective H – Asset and investments registers were complete and accurate and properly maintained.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
H.1	Review the asset and investments registers and determine that they are up to date and accurate.	The LOPC does not hold any investments and does produce an investments register. LOPC has assets and maintains an assets register. This is properly maintained on an excel workbook and was updated for the year-end.	No recommendations to make.	

Control Objective I – Periodic bank account reconciliations were properly carried out during the year.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
I.1	Review the bank account reconciliations for timing and accuracy.	The cash book is reconciled to the bank statements each month. The reconciliation is notated on the bank statements.	No recommendations to make.	
Control Objective 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.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
J.1	Review the accounting statements prepared during the year.	The clerk prepares half-yearly accounting statements during the year. These are presented to the Finance committee and approved at the meeting.	No recommendations to make.	
Control Objective K – If the authority certified itself as exempt from a limited assurance review in 2022/23, if it met exemption criteria and correctly declared itself exempt.				

Area Assessed	Question	Findings	Recommendations	LOPC's comments
K.1	Review the LOPC's certification for 2024/25 and determine if the criteria have been met.	According to the LOPC clerk the council has applied for a certificate of exemption. However, the gross income for 24/25 is £29,017.93, therefore the council is not eligible for exemption.	The council withdraw their application for a certificate of exemption.	Withdrawn.
Control Objective 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.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments

L.1	<p>Does the LOPC publish the required information under the Government Guidance for Transparency Code for Smaller Authorities.</p> <p>Which requires the publication of –</p> <ul style="list-style-type: none"> • all items of expenditure above £100 • end of year accounts (annually) • annual governance statement (annually) • internal audit report (annually) • list of councillor or member responsibilities (annually) • the details of public land and building assets (annually) • Minutes, agendas and meeting papers of formal meetings (minutes within a month of the meeting and agendas no later than 3 days prior to the meeting date) 	<p>The LOPC website was examined, and the following information was published.</p> <p>All items of expenditure above £100.</p> <p>End of year accounts in the form of the Accounting Statements 23/24.</p> <p>Annual Governance statement 23/24,</p> <p>A list of the councillors, Its asset register,</p> <p>Council meetings agendas and minutes.</p> <p>The LOPC did not publish the internal audit report,</p>	<p>It is recommended that the LOPC review the requirements of the Government Guidance for Transparency to ensure all the required documents are published on their website.</p>	<p>The Internal Audit report from 2023-24 has been published on the Parish Council's website.</p>

Control objective M – In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit regulations.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
M.1	Review the LOPC website to identify if the authority complied with the accounts and audit regulations regarding the exercise of public rights.	A review of the LOPC website disclosed that this was included in the notice of conclusion of audit 2023/24. This was dated 27 June 2024.	No recommendation to make.	
Control Objective N – The authority has completed with the publication requirements for 2022/23 AGAR.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
N.1	Determine whether the LOPC have complied with the publication requirements.	A review of the website disclosed that the authority had published the Section 1 Annual Governance Statement 2023/24 and the Section 2 Accounting Statement 2023/24. The LOPC did not publish the internal audit report.	It is recommended that the LOPC review the requirements of the Government Guidance for Transparency to ensure all the required documents are published on their website.	The Internal Audit report from 2023-24 has been published on the Parish Council's website.

Control Objective O – Trust funds (including charitable) – The council has met its responsibilities as a trustee.				
Area Assessed	Question	Findings	Recommendations	LOPC's comments
O.1	Determine whether the authority has met its responsibilities as a trustee.	The LOPC does not manage any trust funds as a trustee.	No applicable.	