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29th April 2024

Dear Chairman,

**Lydford on Fosse Parish Council
Internal Audit report for the year 2023/24**

I am pleased to submit to the council my yearly internal Audit Report for the financial year ending 2023/24.

I completed both the Internal Audit checks for the first half of the year (1 April 2023 to 30 September 2023) on the 7th November 2023 and the second Internal Audit checks for the second half of the year (1 October 2023 to 31 March 2024) on the 29th April 2024. Having completed the second 6 monthly audit check and reviewing the first one in accordance with the Council's requirements I can report that, in all significant respects, the control objectives are being achieved to a standard adequate to meet the needs of the Council. I consider that the procedures being followed are sound and no further changes are recommended.

I have attached a summary of the checks that I have carried out and I would like to thank Ms Nicol for supplying all the appropriate documentary information.

Yours faithfully,



Lauren Mitchell
Internal Auditor

Annex A: Internal Audit - Summary of checks carried out

Copy to:
Parish Clerk

Annex A to Internal Auditors letter dated 29/04/2024

Parish Council half year Internal Audit 2023/24

Summary of checks carried out

Verify that Books of Account have been properly checked during the past 12 months

Is the cashbook maintained and up to date? **Yes**

Is the arithmetic correct? **Yes**

Is the cashbook regularly balanced? **n/a**

Verify sample payments, financial regulations invoices, VAT etc.

Have standing orders and Financial regulations been formally adopted? **Yes**

Has an RFO been appointed and duties specified? **Yes**

Have items above a de minimise amount been competitively tendered? **Yes**

Has VAT on repayments been identified, recorded and reclaimed? **Yes**

S137 expenditure separately recorded and within statutory limits? **Yes**

Approved signatories - **as per Barclays/Unity Mandate form**

Risk Management

Does a scan of the minutes identify any unusual activity? **No**

Do the minutes record the Council carrying out an annual risk assessment? **Yes**

Is the insurance cover appropriate and adequate? **It appears so, council to decide.**

Are the internal financial controls documented and regularly reviewed? **Yes**

Verify that the annual precept is the result of a proper budgetary process.

Has the council prepared an annual budget in support of its precept? **Yes**

Is the actual expenditure against budget reported regularly to the council? **Yes**

Are there any unexplained variances from the budget? **No**

Verify Income Records

Is income properly recorded and promptly banked? **Yes**

Does the precept recorded in the cashbook agree to the District Councils Notification? **Yes**

Are security controls over cash adequate? **n/a**

Petty Cash Records

Petty Cash - **not applicable**

Payroll Controls

Do salaries paid agree with those approved by the council? **Yes**

Are payments to the Clerk reasonable and council approved? **Yes**

Has PAYE/NIC been properly operated by the council as an employer? **HMRC returns to be submitted by the Clerk as appropriate.**

Are real time information requirements being met? **Yes**

Asset Controls

Does the council keep an asset register of all material assets owned? **Yes**

Have any assets been purchased in the last 12 months? **Yes**

Are the asset registers up to date? **Yes**

Do the insurance valuations agree with those in the asset register? **Yes - valuations based on the initial purchase price.**

Periodic and Year End Reconciliations

Is there a bank reconciliation for each account? **Yes**

Is reconciliation carried out regularly on the receipt of statements? **Yes**

Are there any unexplained entries in any reconciliation? **No**

Year End Testing

Are year end accounts prepared on the correct accounting basis? **Yes**

Do the accounts agree with the cash book? **Yes**

Is there an audit trail from underlying records to the accounts? **Yes**

Where appropriate have any debtors or creditors been properly recorded? **n/a**