Streatley Parish Council

https://www.streatley.org/

Annual Year-End Internal Audit Report 2023-24 financial year

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Working the Greener Way - Online

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WGW

Internal Audit 2023-24

1. The role of internal audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England & Wales) Regulations 2015, which states that a relevant body must:

'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector and internal auditing standards and guidance'.

The standards for 'proper practices' in relation to internal audit are laid down in the Public Sector Internal Audit Standards 2016 [the Standards].

The role of internal audit is best summarised through its definition within the Standards, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate an improve the effectiveness of risk management, control and governance processes.'

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribution to the achievement of the Council's objectives.

2. Internal audit approach

To enable effective outcomes, our internal audit approach provides a combination of assurance review and consulting activities. Assurance reviews involve assessing how well systems and processes are designed and working, with consulting activities available to improve those systems and processes where necessary.

A full range of internal audit assurance reviews are performed in forming the interim and year end opinions with the approach to each area of review determined by:

- The level of assurance required to meet statutory requirements;
- The Council's short, medium, and long term objectives;
- The level of confidence in the policies and procedures; and,
- The risks inherent in the Council's internal control methods.

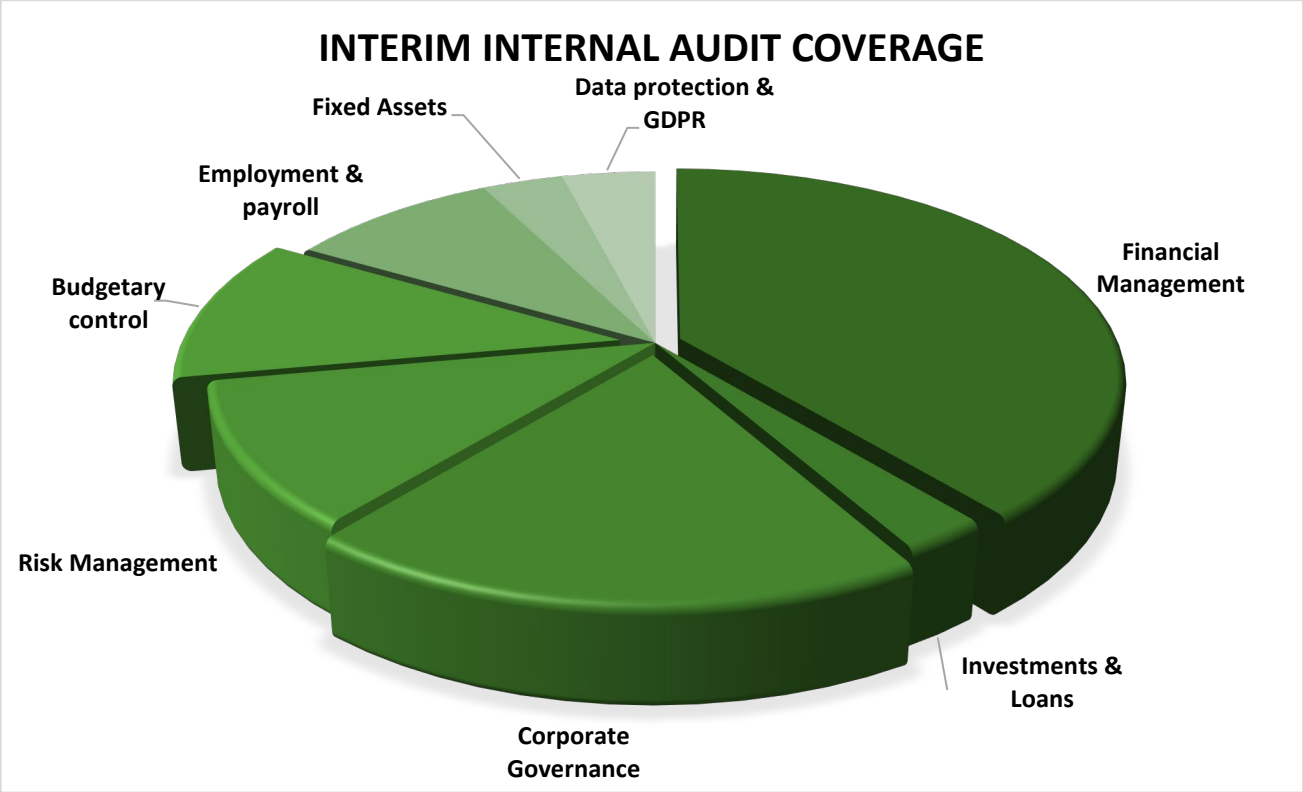
3. Internal audit coverage

The annual Internal Audit plan was prepared to take account of the unique characteristics and relative risks of Streatley Parish Council's activities and to support the preparation of the Annual Governance and Accountability Return and the Annual Statement of Accounts.

Assurance reviews in fifteen areas have been planned and performed to obtain sufficient information and explanation considered necessary to give reasonable assurance that the Council's Internal Controls systems are functioning effectively. The Internal Audit plan for the 2023-24 financial year was approved in consultation with the Council's Clerk/Responsible Finance Officer (RFO) and was informed by our own assessment of risk and materiality.

The plan will be modified in future years, in consultation with the Clerk/RFO and Council Members to ensure it is aligned to the objectives of, and key risks facing the Council.

WGW online has provided assurance across fifteen areas of review which correspond to the Internal Control objectives contained within the Annual Governance & Accountability Return: Annual Internal Audit Report, during the 2023-24 financial year to the 31st of March 2024.



4. Internal audit opinion

The Head of WGW online is responsible for the delivery of an interim and annual Internal Audit opinion and report that may be used by the Council to inform its Governance and Accounting statements in the Annual Governance and Accountability (AGAR) return. The year-end opinion, based on the review conducted remotely with the Clerk/Responsible Finance Officer (RFO) on 3rd May 2024, with subsequent work being performed at our offices, examined the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance may be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- The year-end audit work & reports completed onsite and at our offices;
- The results of the follow up discussions conducted with the Clerk/RFO;
- The 'Qualified' External Auditor's report for the 2022-23 financial year;
- The responses of the Council's resources to prior recommendations for improvement made by the previous Independent Internal Auditor; and,
- The quality and performance of the Council's administrative function and the extent of compliance with the Standards defined in the Joint Panel on Accountability and Governance, Practitioner's Guide.

Independent Internal audit opinion

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Streatley Parish Council's Internal Control Ecosystem.

In my opinion, Streatley Parish Council's framework of governance, risk management and management control has 'Adequate assurance' with most internal controls working in practice.

Where weaknesses have been identified, the detailed recommendations for improvement have been made in Section 8 of this report.

5. Council profile

Council name:	Streatley Parish Council
Address:	8 The Bull Meadow, Streatley, Berkshire RG8 9QD
Unitary authority:	West Berkshire Council, Market Street, Newbury, Berkshire RG14 5LD
Proper officer:	Mrs Hazel Elizabeth Preston-Barnes
Responsible Finance Officer:	Mrs Hazel Elizabeth Preston-Barnes
General Power of Competence:	The Council is not currently eligible to adopt GPoC
Members:	The Council has a maximum of seven Members
Elected Members:	Five Members (no election as insufficient candidates)
Co-opted Members:	One co-opted Members
Chairperson:	Councillor Mr Colin Smith
Vice-chairperson:	Councillor Mr Nick Barnes
Members Register:	Register held in the Council Office. Register details are not published on the Council's official website
Head of Electorate:	826 (Eight-hundred and twenty-six)
Financial-year precept:	£43,696 (Forty-three thousand six-hundred and six)
External Auditor's report:	The Council had received an 'Qualified' External Auditor's report in respect of the 2022-23 financial.
Website:	The Council maintains a free to access website on a secure server, published at https://streatley.org

6. Corporate Governance

The objective in this area of review is to ensure that the Council has robust corporate governance arrangements in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been or are being considered for implementation. To meet the above objectives, we have: -

- Noted that the Council's Standing Orders was last reviewed and readopted at the 11th of March 2024 meeting of the Parish Council under Minute reference 24/39(e);
- Noted that the Council's Financial Regulations was last reviewed and readopted at the 11th of March 2024 meeting of the Full Parish Council under Minute reference 24/39(c);
- Concluded our review of the minutes of Full Council (excluding Planning) for the full year ensuring that no issues affecting the Council's financial stability either in the short, medium or long term exist. We have noted that all the Awards of Grant Aid have been made without the Statutory Power under which these have been made being recorded. It appears that these have been assumed to have been made under the Local Government Act 1972, s.137 statutory power which would, in any case, be incorrect: **Outcome: Limited Assurance**
- Noted that the Council maintains a reasonable and proportionate combined Business and Health & Safety Risk Register using Microsoft Word;
- We note that the Council Members' Register of Interests have been updated, are available in the Council's offices however, hyperlinks to each Member's Register entry are not published in the Councillor's details on the Council's official website; **Outcome: Limited Assurance**
- Noted that the Council is currently ineligible to adopt the General Power of Competence;
- Noted that the Notice of the Exercise of Elector's Rights was published correctly, as required;
- Noted that the Council is registered as a Data Controller with the Information Commissioner's Office (ICO), and maintains a published Data Protection and Document Retention Policy; and,
- Noted that the Council's Minutes, Agenda, Policies, Financial Information and other useful information is published on its official website. We have noted that there are some policies which it is advisable for a Council the size of Streatley Parish Council to have in place, and that its current policies do not, in all cases, best practice standards. We draw the Clerk/RFO and Member's attention to the drafting of a Social-Media & Electronic Communication Policy which should be undertaken as soon as possible as the Council has a link to a live 'X' (Twitter) account on its website.

1) **FY2023-24 Outcome: Limited Assurance**

7. Year-end Independent internal audit

Internal control objective 'A'

'Appropriate accounting Records have been properly kept throughout the financial year.'

The objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and no anomalous entries appear in the financial ledgers.

Finance systems

The Council utilises a comprehensive Microsoft excel spreadsheet to perform its accounting functions and maintain its financial records.

To meet the above objectives, we have: -

- Checked and verified that the closing balance for the 2022-23 financial year was correctly brought forward as the opening balance of the 2023-24 financial year;
- Ensured that an appropriate coding structure is in place to facilitate budgetary, receipts & payment analysis and reporting;
- Ensured that the proper segregation of duties is in place, to the extent that it is possible to do so, with the Clerk/RFO being able to load supplier and payment information, but not being able to approve and authorise payments;
- Checked and verified transactions on the Lloyds Bank current account for the months of May, September and December 2023, and March 2024;
- Checked and verified transactions on the Lloyds Bank Business Bank Instant deposit account for the financial year from the 1st of April 2023 to the 31st of March 2024;
- Checked and verified all transactions on the new Lloyds Bank Business Bank Interest deposit account for 'Torchlight Event funds' account opened on the 2nd of January 2024;
- Checked and verified the National Savings & Investment account annual statement as at the 31st of March 2024; and,
- Noted that the Council maintains a robust backup procedure with near-real time backups being made to the Microsoft OneDrive cloud service. We consider this to be a reasonable and proportionate data security measure and suitable for the Council's current requirements.

2) **FY2023-24 Outcome: Substantial Assurance**

Internal Audit 2023-24

Bank and building society accounts

The Council retains the public funds under its management in four separate accounts with three different financial institutions:

- The Council maintains three bank accounts; with Lloyds Bank plc, one Treasurers current account, and two Business Bank Instant deposit accounts; (one to retain the Torchlight Event funds), these three accounts are utilised for the Council's day-to-day banking requirements;
- The Council maintains a single account with the National Savings and Investment;
- Streatley Parish Council makes use of electronic banking. The current Financial Regulations accord with the Council's current Internal Control with two authorising persons required to process each payment;
- The Mandates for all the Council's banking and investment accounts are reviewed at least once annually and have sufficient signatories to make enquires, load payments only, and authorise payments, ensuring the proper segregation of duties at all times.

3) **FY2023-24 Outcome: Substantial Assurance.**

Investments and Loans

The Clerk/RFO has Certified to this auditor, that as at the 31st of March 2024, the Council h
As a single loan with the United Kingdom Debt Management Office, previously known as the Public Works Loans Board (PWLB), under reference number PW498291. There are two annual repayments in the amount of £4,977.50 which are collected in May and November every year.

The Outstanding balance of the loan as at the 31st of March 2024 stood at £157,488.

4) **FY2023-24 Outcome : Substantial Assurance.**

Credit and Debit cards

We note that the Council does not currently avail itself of either credit card or debit card facilities.

5) **FY2023-24 Outcome : Substantial Assurance.**

Internal Audit 2023-24

Internal control objective 'B'

'The authority complied with its financial regulations, payments were supported by Invoices, all expenditure was supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.'

The objective in this area of review is to ensure that Council resources are released in accordance with the Council's adopted Standing Orders, Financial Regulations, budgets and other approved procedures, that payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available, that correct expense codes have been applied to invoices when processed, and that VAT has been appropriately identified and coded to the control account for periodic recovery. To meet the above objectives, we have: -

- Noted that the Council has not had any requirement to enter into a formal tender process during the period of the 1st of April 2023 to the 31st of March 2024;
- Checked and verified that all quotations undertaken from the 1st of April 2023 to the 31st of March 2024 in accordance with the Council's extant Standing Orders and Financial Regulations;
- Noted that the Clerk/RFO does not maintain a purchase order system due to the relatively low number of procurements. Significant purchases are placed, by the Clerk/RFO, via email;
- Completed our payment document testing process for the 2023-24 financial year, to ensure compliance with the above criteria. In total we selected a sample with the criteria of all non-payroll related payments in excess of £500.00, together with every 10th cashbook transaction irrespective of value for the financial year from the 1st of April 2023 to 31st of March 2024. Our test sample for the financial year comprised 26 payments, totalling £29,543.84 and equating to approximately 78% of all non-pay related payments made to the above date. We noted that one payment document dated the 15th of August 2023 from SSE in the amount of £155.99 could not be located. The Clerk/RFO has advised us that she has requested a duplicate invoice from the supplier;
- Checked and verified that all payment documents that have been checked & verified by the Clerk and RFO, and that they had been presented to Members of the Full Council for Scrutiny and Approval. Such approval being recorded in the Council's published in the Minutes; and,
- Checked and verified the Council's four quarterly VAT reclaims, including the year-end the 31st of March 2024 reclaim, in the amount of £891.22 with no matters arising.

6) **FY2023-24 Outcome : Substantial Assurance.**

Internal Audit 2023-24

Internal control objective 'C'

'This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.'

The objective in this area of review is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature. We also aim to ensure that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition. To meet the above objectives, we have: -

- Noted that the Council maintains a basic, combined Business and Health & Safety Risk Register in MS Word. The Combined Business & Health & Safety Risk Register for the 2023-24 financial year was most recently adopted at the 11th of March 2024 Parish Council meeting, under Minute reference 24/039(a);
- Examined the Council's insurance policy to ensure that appropriate cover is in place: Cover is provided by BHIB, under a 'Local Councils Insurance Policy' number 100723637BDN/LCO00525 with the period of cover extending from the 1st June 2023 to the 31st May 2024: Key features include: Employers Liability £10 million, Public & Products Liability £10 million, Officials Indemnity £500K, Fidelity Guarantee £250K, Libel & Slander £250K, Legal Expenses £250K, and Personal Accident £100K. We consider the level of cover appropriate for the Council's current and ongoing requirements;
- Noted that the Council owns and manages a single children's playground on the Recreation Ground of Wallingford Road. We are advised by the Clerk/RFO that Members undertake regular checks of the Children's playground/equipment, but has not confirmed at what frequency the inspections take place or whether a formal inspection report is produced as required; **Limited Assurance**
- We are advised by the Clerk/RFO that RoSPA Play Safety Ltd undertake the annual independent inspection of the Children's playground;
- Noted that the annual independent inspection report is passed to the Clerk/RFO for the escalation of any required maintenance and repairs;
- We are advised by the Clerk/RFO that the Council's playground inspection reports are only retained for five years, however, a mandatory retention period of 18 + 3 years, (twenty-one years) is required by law; **Limited Assurance**

7) **FY2023-24 Outcome: Limited Assurance**

Internal Audit 2023-24

Internal 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.'

The objective in this area of review is to ensure that the Council has determined its annual budget based on sound assumptions of intended spending, that sufficient funds are available to meet future spending plans and that members are kept aware of actual budgetary performance during the course of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund. To meet the above objectives, we have: -

- We note from our review of the Council's Minutes that Members are recorded as receiving a Schedule of Payments for scrutiny and approval on a monthly basis;
- We note from or review of the Council's Minutes that Members are recorded as receiving a copy of the Council's Income & Expenditure accounts on a monthly basis;
- We note from our review of the Council's Minutes that Members are recording as receiving a monthly reconciliation statement for all the Council's bank accounts;
- We note from our review of the Council's Minutes that Members receive regular budgetary reports each quarter, and monthly draft budget reports during the Budget setting & Precept determination process;
- We note that the Clerk, RFO and Members have undertaken a detailed and robust Budget setting and Precept determination process. The Clerk/RFO creates a draft budget report, generated from the Council's spreadsheet cashbook, and several iterations of the draft budget are produced. The final draft is Resolved after full Scrutiny and Approval at the January meeting of the Full Parish Council;
- Members Resolved to set the Budget and Precept in the amount of £44,574 for the 2024-25 financial year, at the 8th of January 2024 meeting of the Full Parish Council under Minute reference 24/009(a);
- The Council maintains ten properly constituted earmarked reserves. The closing balance of £18,660.13 as at the 31st of March 2024; and,
- We note that the General Reserve as at the 31st of March 2024 stood at £15,455.69, approximately 4 months reserve at prior year expenditure levels. This General Reserve sits in the mid-range of the recommended level specified by the Chartered Institute of Public Finance and Accountancy (CiPFA) for the Council's requirements based on the current guidance to retain between 3 & 6 months General Reserve. **Outcome: Substantial Assurance**

8) **FY2023-24 Outcome: Substantial Assurance**

Internal Audit 2023-24

Internal control objective 'E'

'Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.'

The objective in this area of review is to ensure that the Council maintains appropriate records are to ensure that all income due to the Council is identified, invoiced accordingly, and recovered within an appropriate time scale. To meet the above objectives, we have: -

Noted that in addition to the Precept the Council receives supplementary income from a relatively limited variety of sources including: CIL funds, Allotment rental reimbursement, VAT s.126 reclaims, Torchlight Event, occasional grants & donations and bank interest payments.

We note from the Council's published Minutes and the schedule of Fees and Charges provided, that as required by statute, the Clerk, RFO and Members formally reviewed and established the fees and charges for the 2023-24 financial year during the Budget setting and Precept determination process.

We have:

- Noted that the Council holds no saleable stock;
- Noted that the Council demonstrates reasonable and proportionate credit control processes and receives the majority of payments for services in advance; and,
- Noted that the Council has no significant aged debt.

Further, we have reviewed the following of the Council's non-Precept income sources:

CIL Funds

We have reviewed the receipt of CIL funds on the 09th of May 2023, in the amount of £8,541.26, noting that the Council, in accordance with its own Financial Regulations, has properly recorded the receipt of these funds in its spreadsheet cashbook.

9) **FY2023-24 Outcome: Substantial Assurance**

Donations for Recreation ground usage

We have checked and verified the receipt of Donations made in consideration of the use of the Recreation Ground, in accordance with its own Financial Regulations, has properly recorded the receipt of these funds in its spreadsheet cashbook.

10) **FY2023-24 Outcome: Substantial**

Internal Audit 2023-24

Bank Interest

During this interim review we have examined the Council's Bank Interest receipts for the financial year from the 1st of April 2023 to the 31st of March 2024, in accordance with its own Financial Regulations, has properly recorded the receipt of these funds in its spreadsheet cashbook.

11) **FY2023-24 Outcome: Substantial Assurance**

Finally, in this area, we have examined the income spreadsheet cashbook in its entirety for the financial year from the 1st April 2023 to the 31st March 2024 ensuring that, as far as we are able to reasonably ascertain, all income due to the Council has been received and recorded appropriately.

12) **FY2023-24 Outcome: Substantial Assurance**

Internal control objective 'F'

'Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved, and VAT appropriately accounted for.'

The objective in this area of review is to ensure that the Council manages its Petty Cash system(s) in accordance with its adopted Financial Regulations, that items purchased are suitable for the Council's use, transactions are correctly recorded in the Council's cashbooks, that VAT is identified for recovery where appropriate and that the Petty Cash account is reconciled on an appropriate basis.

The Clerk/RFO has certified that Streatley Parish Council does not operate any form of Petty Cash system, with Members and staff being required to reclaim all out of pocket expenses via a formal expense claim.

13) **FY2023-24 Outcome: Substantial Assurance**

Internal control objective 'G'

'Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.'

The objective in this area of review is to ensure that the Council is appropriately observing extant legislation regards adherence to the Employee Rights Act 1998 and the requirements of HMRC legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme. To meet the above objectives, we have: -

- Noted that the Council had two employees during the financial year. Both were in the position of Clerk/RFO. A new Clerk/RFO was appointed in April 2023. There was a three month overlap whilst the Previous Clerk/RFO undertook a detailed hand over, standing down in June 2023. The Previous Clerk/RFO returned in an interim capacity in December 2023 and has remained in post whilst the Council has sought a full time person to fill this post;
- Checked and verified the Establishment list provided by the Clerk/RFO;
- Noted that both employees were in receipt of employment contracts, noting that these contracts are not based on current National Association of Local Councils model documents;
- Noted that both staff members declined to be enrolled in a pension scheme;
- Noted that the payroll is managed, in house, using HMRC PAYE Tools freeware;
- Noted that the Clerk/RFO is required to maintain a Time sheet recording the hours and duties performed;
- Checked and verified timesheet for the financial year from the 1st of April 2023 to the 31st of March 2024 with no matters arising;
- Checked and verified the HMRC PAYE Tools payroll and deductions report for the financial year from the 1st of April 2023 to the 31st of March 2024 with no matters arising; and,
- Checked and verified the detail of the net salary and third-party payments of PAYE / NI and Pension contributions by reference to payslips and payroll summary reports and the subsequent payments issued for the financial year from the 1st of April 2023 to the 31st of March 2024 with no matters arising.

14) **FY2023-24 Outcome: Substantial Assurance**

Internal control objective 'H'

'Assets and Investments Registers were complete and accurate and properly maintained.'

The objective in this area of review is to ensure that the Council that the Council has prepared and maintains a register of its stock of land, buildings, vehicles, furniture and equipment as required by the Governance and Accountability Manual.

The Council maintains is Fixed Asset Register in a Microsoft Excel Spreadsheet which complies with the requirements recorded in the Joint Panel on Accountability and Governance Practitioners Guide. Recording a detailed list of the Council's assets at purchase price, net of VAT, installation and delivery with in-year acquisitions and disposals duly recorded.

Internal Audit 2023-24

The Fixed Asset Value as at the 31st of March 2024 is recorded as £312,404 which appears to be an accurate record of the Asset position, as far as can be ascertained without conducting a physical asset check. **Outcome: Substantial assurance**

15) **FY2023-24 Outcome: Substantial assurance**

Internal control objective 'I'

'Periodic bank account reconciliations were properly carried out during the year.'

The objective in this area of review is to ensure that the Council conducts regular reconciliations of the bank, building society and other investment accounts in which it maintains the public funds raised by taxation. That these reconciliations along with the corresponding account statements are presented to Members for their scrutiny and approval with that being recorded in the Minutes of the Full Council or its Committees.

To meet the above objectives, we have: -

- Noted that the RFO reconciles all the Council's financial accounts on a monthly basis;
- Noted that the published Minutes of the Parish Council record the reconciliation statements being presented to Members for Scrutiny with formal Resolution for Approval being recorded at each monthly meeting; and,
- Checked and verified the Bank Reconciliations on the three Lloyds Bank current and deposit accounts and the National Savings and Investment account for the period of the 1st of April 2023 to the 31st of March 2024 with no matters arising.

16) **FY2023-24 Outcome: Substantial Assurance.**

Internal Audit 2023-24

Internal 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 cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.'

The objective in this area of review is to ensure that the Council is compliant with the 1996 Accounts and Audit Regulations which requires all Councils to prepare annually a detailed Statement of Accounts, together with supporting statements identifying other aspects of the Council's financial affairs.

The Council's accounts are managed in a comprehensive and well-designed Microsoft excel spreadsheet, detail of which we have examined and consider reflects accurately the full-year's transactions as recorded therein. The spreadsheet cashbook is used to manage the following working records and management reports which have all been checked and verified for the period of the 1st of April 2023 to the 31st of March 2024 with reference to prime documentation:

Working records

- Cashbook
- Reconciliation statements
- Budgetary reports
- VAT reclaim reports

Management reports

- Trial balance
- Receipts & Payments reports
- Statutory balance sheet
- Year-end variance report

We have checked and verified the Closing Trial Balance for the 2022-23 financial year, as at the 31st of March 2023 against the Opening Trial Balance for the 2023-24 financial year as at the 1st of April 2023 ensuring that the cashbooks remained in balance, with no matters arising.

Further we have undertaken a 'line-item' check and verification for all the Council's cashbooks, journals, nominal ledger, for the whole of the 2023-24 financial year from the 1st April 2023 to the 31st March 2024, with reference to the supporting prime documentation and the Council's published Minutes.

We have checked and verified the Closing Trial Balance for the 2023-24 financial year, as at the 31st March 2024, against primary documentation, ensuring that the cashbooks remained in balance, with no matters arising.

We have checked and verified the receipts & payments reports to ensure appropriate coding has been applied and that there is no unexplained or unbudgeted expenditure with no matters arising.

Internal Audit 2023-24

Finally, in this area of review, we have checked the detail of the Annual Accounting Statements with no matters arising.

On the basis of the work we have undertaken during this Independent Internal Year-end Audit, we have duly authorised the Annual Internal Audit certificate, contained within the Annual Return, assigning positive assurances in each area of review.

17) **FY2023-24 Outcome: Substantial assurance**

Internal control objective 'K'

'If the authority certified itself as exempt from a limited assurance review in 2022-23, it met the exemption criteria and correctly declared itself exempt.'

Streatley Parish Council had a limited assurance review of its 2022-23 AGAR, therefore, this item is recorded as 'not covered' in the 2023-24 Independent Internal Audit report.

Internal control objective '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.'

The objective in this area of review is to ensure that the Council has met its statutory requirements and maintains information pertaining to the Council's business and operations on a free to access website / web page, which is up-to-date at the time of the Independent Internal Audit and is compliant with Transparency Code legislation (where appropriate) and current Accessibility legislation as amended from time to time.

- Noted that the Council maintains a simple official website which is published on a secure server, at the following domain: https://streatley.org;
- Noted that the Council is not required to comply with the Transparency Code due to its turnover; and,
  Noted that, as far as can be ascertained, the Council's official website is compliant with the Accessibility legislation which was current at the time of this Independent internal Audit report.

18) **FY2023-24 Outcome: Substantial Assurance**

Internal Audit 2023-24

Internal control objective '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 *(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set*.'

The objective in this area of review is to ensure that the Council has met its statutory requirements and correctly provided for the period for the exercise of public rights.

- The Review of the Council's published Minutes provides clear evidence that Members considered the Notice Period for the Exercise of Public Rights and Resolved to establish this at the 12th of June 2023 meeting of the Parish Council under Minute reference 23/78(d-iii);
- The period for the Exercise of Public Rights was Resolved to be from Monday the 3rd July to Friday the 11th August 2023 inclusive: Exactly thirty (30) days including the first ten (10) working days in July as statutorily required;
- We have examined an electronic copy of the physical Notice of Exercise of Public Rights recording the period as Monday the 3rd July to Friday the 11th August 2023 inclusive;
- Noted that the Notice is published on the Council's official website; and,
- Have been advised by the current Clerk/RFO that the Notice was prominently displayed on the Council's Notice Boards.

19) **FY2023-24 Outcome: Substantial Assurance**

Internal control objective 'N'

'The authority has complied with the publication requirements for 2022-23 AGAR.'

The objective in this area of review is to ensure that the Council has met its statutory requirements and has complied with the publication requirements for the 2022-23 AGAR.

- Noted that the 2022-23 AGAR and supporting documentation is published on the Council's official website at https://streatley.org/finance.htm

20) **FY2023-24 Outcome: Substantial Assurance**

Internal control objective 'O'

'Trust funds (including charitable) – The council met its responsibilities as a trustee.'

The objective in this area of review is to ensure that the Council has met its statutory requirements where it acts as a trustee for any trust fund or charitable trust, including maintaining separate financial and bank accounts and making all required statutory returns to the Charities Commission and/or the HMRC.

- The Clerk/RFO has certified that Streatley Parish Council does not act as the sole trustee for any Charity or Trust Fund.

21) **FY2023-24 Outcome: Substantial Assurance**

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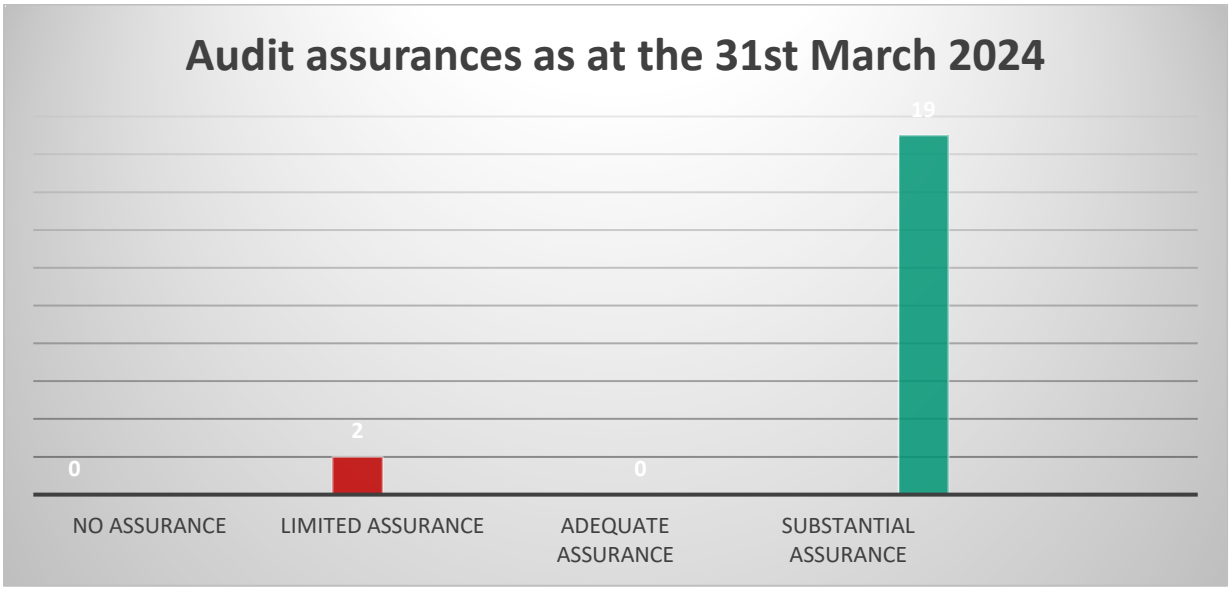
8. Assurance review

During the Interim for the 2023-24 financial year, to the 31st of March 2024, we have undertaken 317 separate audit tests, providing twenty-one separate assurances in the nineteen areas of review which correspond to the Internal Control objectives contained within the Annual Return: Annual Internal Audit Report as detailed in the chart below.



Substantial: A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified;

Adequate: Basically, a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified;

Limited: Significant weakness(es) have been identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk; or

No: Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

9. Matters identified during the 2023-24 year-end audit

Corporate Governance

1) The Awards of Grant Aid, made by the Council during the 2023-24 financial year, do not have the statutory power under which the Grant has been made recorded. It appears to have been assumed that all Awards of Grant Aid have been made under the Local Government Act (LGA)1972, s.137 statutory power. **Outcome: Limited Assurance**

   Recommendation: We remind the Clerk/RFO and Members that LGA 1972, s.137 is the Power of 'Last resort'. This power may only be utilised where no other statutory power exists and where the Council is Lawfully permitted to make expenditure. Having reviewed the list of Awards of Grant Aid with the Clerk/RFO every Award made could, and should, have been made using a different statutory power. The Clerk/RFO must ensure that the proper statutory powers are used and recorded in the Full Parish Council Minutes moving forward.

2) We note that the Council Members' Register of Interests have been updated, are available in the Council's offices however, hyperlinks to each Member's Register entry are not published in the Councillor's details on the Council's official website; **Outcome: Limited Assurance**

   Recommendation: It is now a Statutory Requirement that each Council Member's current Register of Interests is published on the Council's official website in the Councillor's details section. It is considered Best Practice to create a hyperlink to a secure .PDF file at the base of each Council Member's details.

3) Noted that the Council maintains a simple official website which is published on a secure server, at the following domain: https://streatley.org.

   Recommendation: We take this opportunity to remind Members and the Clerk RFO that it is now recommended by the National Association of Local Councils (NALC) that all Council's move towards using a '. gov.uk' domain address.

4) The Council's Minutes, Agenda, Policies, Financial information and other useful information is published on the Council's official website. We have noted that there are some policies which it is advisable for a Council the size of Streatley Parish Council to have in place, and that its current policies do not, in all cases, best practice standards. In particular, we draw the Clerk/RFO and Member's attention to the drafting of a Social-Media & Electronic Communication Policy which should be undertaken as soon as possible as the Council has a link to a live 'X' (Twitter) account on its website; **Outcome: Limited Assurance**

Recommendation: During the 2024-25 Municipal Year, the Clerk/RFO and Members should ensure that an appropriate suite of Adopted Policies is put into place. The following policies should be considered:

- Biodiversity, Crime & Disorder Policy
- Business Continuity Plan
- Equal Opportunities Policy
- Vexatious Complaints Policy
- Lone & Isolated Working Policy
- Playground Management Policy
- Petition Policy
- Privacy Notice

Internal Control Objective 3

5) Noted that the Council owns and manages a single children's playgrounds on the Recreation Ground of Wallingford Road. We are advised by the Clerk/RFO that Members undertake regular checks of the Children's playground/equipment, but has not confirmed at what frequency the inspections take place or whether a formal inspection report is produced as required; **Limited Assurance**

Recommendation: It incumbent upon every organisation including Parish Councils, that are responsible for the management of a children's playground, that they undertake a reasonable and proportionate approach to risk management and mitigation in this environment, and to be able to provide clear evidence that this takes place.

Each visual inspection of the playground, undertaken by Members, must be formally recorded in a playground inspection report which records the name of the person undertaking the inspection, the date and time of the inspection and a record of any defects identified either to the play equipment or the grounds, fencing, signage or precinct of the area. Such reports should be accompanied by photographic evidence of any significant defect and the reports should be forwarded to the Clerk/RFO for their retention and escalation.

6) We are advised by the Clerk/RFO that the Council's playground inspection reports are only retained for five years, however, a mandatory retention period of 18 + 3 years, (twenty-one years) is required by law; **Limited Assurance**

Recommendation: We advise the Clerk/RFO and Members that there is a statutory requirement to retain every internal and independent playground inspection report for a period of eighteen plus three years (twenty-one years). This is because a person, or their appointed representative is able to bring a claim for injury in a playground for a period of three years after they attain the age of Majority. The Council must be in a position to produce such reports should the need arise. Reports may be scanned and retained electronically.

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10. Confirmation of independence and Quality Assurance

During the 2023-24 financial year to the 31st of March 2024, we confirm that the internal auditor has acted independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation, based upon the internal audit programme, and has obtained appropriate evidence including copies of prime documentation to support our opinions from Streatley Parish Council.

The year-end independent internal audit for the 2023-24 financial year was conducted remotely, on the 3rd of May 2024, and was carried out in accordance with Streatley Parish Council's needs and planned coverage. Based on the findings in the areas examined, the internal audit conclusions are summarised in the main body of this report, which corresponds to the Internal Control Objectives table contained within the FY2023-24 Annual Governance & Accountability Return's Annual Independent Internal Audit Report, which has been duly authorised, with positive assurances assigned against each internal control objective.

11. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery & quality:

Annual performance indicators			
Aspect of service	**Interim 2023-24 (Actual %)**		**YE 2023-24 (Actual %)**
Internal Audit plan delivered	N/A	↑	100%
Positive customer responses to quality appraisal questionnaire			
Compliant with the Public Sector Internal Audit Standards	N/A	↔	Yes

12. Acknowledgements

We would like to take this opportunity to thank the Clerk/RFO of Streatley Parish Council for the quality of the internal control systems, the manner in which the documentation for audit was presented and the positive engagement with the Internal Audit process.

We now ask that the Clerk/RFO and Members consider the content of this report and acknowledge, in due course, that the report has been formally reviewed and adopted by the Council.

C Lingard-McKay

C Lingard-McKay
Head of WGW online internal audit practice