**INTERNAL AUDIT REPORT**
**BURLAND PARISH COUNCIL**
**2022/23**

The internal audit of Burland Parish Council was carried out by undertaking the following tests in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

**Conclusion**
On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

## JDH Business Services Limited

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**BURLAND PARISH COUNCIL**
**2022/23**

## ACTION PLAN

| | ISSUE | RECOMMENDATION | FOLLOW UP |
|---|---|---|---|
| 1 | The fixed asset register value for 2022/23 of £8284 did not agree to the value of fixed assets disclosed in the AGAR accounts of £8973. | *Council needs to review the fixed assert register again and ensure the correct value is disclosed in the AGAAR accounts.* | |
| 2 | There was no voucher retained to support the payment for £700 to Worleston Parish Council | *Invoices or vouchers must be secured and retained for all expenditure.* | |
| 3 | No VAT reclaim was received in the year. | *VAT should be reclaimed on a timely basis and at least annually.* | |
| **2021/22 internal audit** | | | |
| No issue arising – a robust set of books and records has been maintained throughout the financial year and all internal control objectives were met. | | | |
| **2020/21 internal audit** | | | |
| 1 | The 2019/20 comparatives in the AGAR are incorrect as they have been extracted incorrectly from the prior year AGAR. | *The correct 2019/20 comparatives need to be included in the 2020/21 AGAR accounts.* | No issues regarding comparatives identified in 2021/22 internal audit |

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| | ISSUE | RECOMMENDATION | FOLLOW UP |
|---|---|---|---|
| | | | |
| **2019/20 internal audit** | | | |
| 1 | There is a new internal control objective (Objective L) in the AGAR internal audit certificate that requires internal audit to conclude on whether the Public Rights Notice during the previous Summer (2018/19 financial year) was compliant with the Regulations.<br><br>The public notice was displayed on the first day of the public notice period. However, the notice must be displayed to the public at least one day earlier than the commencement date of the notice period. Therefore, we have concluded the council did not comply with the requirements for the Public Rights Notice for 2018/19. | *The council should ensure compliance with the legal requirements for the Annual Notice of Public Rights.* | Implemented |
| 2 | The risk assessment was updated and reviewed by council during the financial year, however, the council minutes do not actually state that the risk assessment is approved. | *The council minutes should state the annual risk assessment is approved.* | Implemented |

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| | ISSUE | RECOMMENDATION | FOLLOW UP |
|---|---|---|---|
| | | | |
| **2018/19 internal audit** | | | |
| 1 | The Annual Return accounts figures cast to £4713, however, £4712 is stated as the total. | *The Annual Return should be corrected* | Implemented |
| 2 | No VAT reclaim was received during the financial year. | *VAT should be reclaimed on a timely basis* | Implemented |
| **2017/18 internal audit** | | | |
| 1 | Data Protection Law will change significantly on May 25th 2018 due to the 2016 EU Directive General Data Protection Regulation (GDPR) taking effect.<br><br>GDPR replaces the 1998 Data Protection Act and it will impose new obligations on Data Controllers and Data Processors and provides enhanced rights for individuals. Compliance with GDPR could have resource implications for local councils. | *The impact of GDPR on the council should be identified through review of ICO and NALC guidance and the Data Protection policy, risk assessment and internal controls should be updated accordingly* | Implemented |