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**MS AUDIT & CONSULTANCY SERVICES**  
**PARISH AUDIT**  
*serving your community*

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Ms S Hansford  
Clerk/Responsible Financial  
Officer to the Council  
Enderby Parish Council  
Civic Centre  
King Street  
Enderby  
Leicestershire  
LE19 4NT

30<sup>th</sup> April 2024

Dear Ms Hansford,

**ENDERBY PARISH COUNCIL – FINAL INTERNAL AUDIT REPORT 2023/24**

I have concluded the annual internal audit of the Parish Council and completed the Internal Audit section of the Annual Governance and Accountability Return (AGAR). For the purposes of the AGAR, all internal control objectives were met. The audit records were well presented.

My conclusion, following my final internal audit is that, for 2023/24, the overall assurance rating of the systems of internal control is that they remain "Sound". I have updated my interim review of internal control's (schedule attached), to reflect my final audit visit and there are no audit recommendations.

I look forward to assisting you next year.

Yours sincerely,



Mike Spencer  
Audit and Risk Management Consultant

# ENDERBY PARISH COUNCIL

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## FINAL INTERNAL AUDIT REPORT 2023-24

### 1. REVIEW OF INTERNAL CONTROLS

This review of the Council's key internal financial controls is based on the minimum recommended internal controls for parish councils set out in the guidance on "Governance and Accountability for Parish Councils" (GAPC).

The review of internal control arrangements was carried out during site visits on the 14<sup>th</sup> of November 2023 and 30<sup>th</sup> April 2024, to support internal audit's assurance rating on the Council's internal controls for 2023/24. This independent review contributes to the overall review by Councillors, when completing Part 3, Section 1 of the Governance Statement in the Annual Governance and Accountability Return (AGAR).

**The internal control objectives in the AGAR and GAPC were met and there are no audit recommendations following my final review as set out below in Table 1.**

### INTERNAL CONTROL ASSURANCE RATING 2023/24

#### Overall Assurance Rating

*Table 1 below shows the individual internal control assurance ratings, gained from the current review, plus previous audit knowledge. From these individual control assurance ratings, an "Overall Assurance Rating" of the Parish Council's internal controls is gained. Testing of the internal controls has shown that overall they are "SOUND"—please see table 2 below for an explanation of assurance ratings.*

#### TABLE 1

#### Individual Internal Control ratings

Area of Internal Control	Assurance Rating	Comments
<ul style="list-style-type: none"><li>Proper bookkeeping</li></ul>	SOUND	A computerised accounting system (RBS) is in place and user input to the respective ledger accounts generates management reports (e.g. for budgetary control) as required. The cashbook was found to be up to date and balanced monthly for the period under review April 2023– March 2024. Evidence of independent review by a Councillor was confirmed. BACS payments in the financial ledger bear a cross reference number to the paid invoice file but direct debits (of which there are many) do not. Following a discussion with Clerk/RFO it appears to be impractical to

		<p>cross reference each direct debit in the bank statement to the Cash Book. Therefore, it has been agreed that at the next interim audit, Internal Audit will select a sample of direct debits from the bank statement to check to the cash book, with the assistance of the Clerk/RFO.</p> <p>King George V Playing Field accounting record of payments/ bank reconciliation was tested for the period April 2023 to March 2024 and transactions confirmed to prime documents -invoices.</p>
<ul style="list-style-type: none"> <li>• Standing Orders,</li> <li>• Financial regulations,</li> <li>• Payment controls</li> </ul>	<p>}SOUND }</p> <p>SOUND</p>	<p>Financial Regulations (FRs) and Standing Orders are reviewed annually (May 2023).</p> <p>Invoices are approved for payment by the Council or Policy &amp; Finance Committee (whichever meets first). Substantive testing of payments recorded in the cash book was undertaken for the period April 2023 to October 2023 and agreed to supporting invoices.</p> <p>In addition to making routine payments by direct debit, the primary method of paying invoices is by the BACS payment method. Invoices are approved by the council before payment and the Clerk has delegated authority to then issue an instruction to the bank to make (BACS) payment of invoices.</p>
<ul style="list-style-type: none"> <li>• Risk management arrangements</li> </ul>	SOUND	<p>The risk register (Financial risks) is updated annually and covers the appropriate areas of potential risk to the Council's business activities.</p>
<ul style="list-style-type: none"> <li>• Budgetary Controls</li> </ul>	SOUND	<p>Council members receive a monthly expenditure report and a detailed budget report every six months accompanied by explanations of significant variances.</p>
<ul style="list-style-type: none"> <li>• Income Controls</li> </ul>	SOUND	<p>Sample testing for the financial period April 2023 – October 2023 was undertaken and the audit trail was substantially satisfactory.</p>
<ul style="list-style-type: none"> <li>• Petty cash procedures</li> </ul>	SOUND	<p>Petty cash payments were minimal because a credit card is in use. Sample testing of credit card payments for the period were confirmed to supporting vouchers.</p>
<ul style="list-style-type: none"> <li>• Payroll controls</li> </ul>	SOUND	<p>A separate Wages and Salaries bank account is maintained for employee pay. The Current Account tops up the Business Premium Account (max transfer amount set at £16,000). That account funds the Wages and Salaries Account with the exact salaries totals for the pay period. The Clerk has delegated authority to prepare salary payments by BACS.</p> <p>The payroll is prepared by the Clerk and checked by the Deputy Clerk or Administrator in her absence. All salaries and wages payments are reported to the Council with supporting paperwork. Compliance testing of Salaries and Wages payments confirmed transactions to be correct.</p> <p>Two new employee contracts were issued during the period and one was checked and was duly signed.</p>
<ul style="list-style-type: none"> <li>• Asset controls</li> </ul>	SOUND	<p>A comprehensive Asset Register (AR) is in place (Excel spreadsheet). New assets are entered</p>

		up as they are paid for. The value of assets recorded in AGAR Financial Statement was confirmed to the asset register.
<ul style="list-style-type: none"> <li>Bank Reconciliations</li> </ul>	SOUND	Bank reconciliation reports were examined and found to be correct. There were no unreconciled balances on the accounting system's report at 31/3/24. Evidence of independent review by a Councillor was confirmed.
<ul style="list-style-type: none"> <li>Year-end procedures</li> </ul>	SOUND	<p>The financial statements are prepared on an Income and Expenditure basis in accordance with guidance issued with the Annual Governance and Accountability Return (AGAR). Underlying financial records to support the AGAR financial statements were reviewed during the final audit visit and confirmed. The AGAR Accounting Statements will also be audited by the statutory external auditor.</p> <p>King George V Playing Field year end accounting record and bank reconciliation was agreed.</p>

**TABLE 2**

**The range and explanation of Assurance Ratings is as follows:**

Audit Opinion	Explanation
SOUND	Minor risks may have been identified
GOOD	Some risks have been identified
MARGINAL	A number of risks have been identified and changes should be made
UNSATISFACTORY	Unacceptable risks have been identified and changes must be made
UNSOUND	Major risks exist and fundamental improvements are required

M E Spencer  
 Audit & Risk Management Consultant  
 30/4/24 (Amended copy)