

REPORT FOR HALSTEAD PARISH COUNCIL INTERNAL AUDIT REPORT FOR 2024-25

Auditor: Maureen Gibbins

I reviewed the documents provided and met remotely with the Clerk, Melissa Babington on 14th and 27th May.

BASIS OF REPORT

This internal audit report is based upon the Practitioners Guide (Joint Panel on Accountability and Governance) Governance and Accountability for Smaller Authorities in England 2023 publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence.

Please note: it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: Governance and Accountability for Smaller Councils - A Practitioners' Guide 2023 – Section 4).

Annual Return Section	Process	Findings
A	Bookkeeping Arrangements	Appropriate books of accounts have been maintained throughout the year with a sound audit trail.
B	Council's Financial Regulations have been met with regard to expenditure.	Payments were supported by invoices, and expenditure was approved. VAT has been appropriately accounted for.
C	Review of Internal Controls	I noted the review of the Risk Assessment is due to be undertaken in June 2025 and was not completed in 2024/25. This should be undertaken annually.
D	Budgetary Controls (Precept requirement)	The annual Precept request resulted from an adequate budgetary process.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.
D	The final Outturn is in line with expectations	The final outturn was materially in line with expectations.
D	Reserves	The Council has adequate reserves.
E	Income controls	Income was fully received and properly recorded.
F	Petty cash controls	Petty cash is not operated by the Council.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals.
H	Asset Controls - all material assets correctly recorded	The current asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.
H	Asset Controls - all additions correctly recorded	There were additions to the asset register in the year and these have been properly recorded.
I	Bank Reconciliations	Monthly and year-end reconciliations were properly carried out.
J	Accounting Statements	The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.
K	Limited Assurance Review Exemption	The Council does not meet the exemption criteria.

Annual Return Section	Process	Findings
L	Information published on website	Information is available on the website.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website.
N	AGAR publication Requirements	The Parish Council did not comply with the publication requirements for the 2023/24 AGAR.
O	Trust funds (If applicable) – the Council met its responsibilities as a trustee	The Parish Council does not operate as a trustee.

Recommendations:

Following the completion of the Internal Audit, the Council should ensure that the Financial and Administrative Risk Assessment is reviewed on an annual basis.

The Council must ensure that all publication requirements are complied with regarding the AGAR.

Conclusion

I believe that the Council has good arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good.

This report should be noted and taken to the next meeting of the Council for minuting to inform them of the Internal Audit work carried out.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.

Maureen Gibbins
Internal Auditor