

Annual internal audit report 2022/23

West Wycombe Parish Council

<https://westwycombeparishcouncil.gov.uk/>

During the financial year ended **31 March 2023** the authority's internal auditor, acting independently and on the basis of an assessment of risk, has carried out a selective assessment of compliance with relevant procedures and controls to be in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with the authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and, alongside, are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following:		
	Yes	No	Not covered
A Appropriate accounting records have been properly kept throughout the financial year.	Yes		
B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT was appropriately accounted for.	Yes		
G Salaries to employees and allowances to members were paid in accordance with this authority's approvals and PAYE and NIC requirements were properly applied.	Yes		
H Asset and investment registers were complete and accurate and properly maintained.	Yes		
I Periodic and year-end bank account reconciliations were properly carried out.	Yes		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	Yes		
K IF the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick 'not covered')</i>			✓**
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.	Yes		
M In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required of the Accounts and Audit Regulations. <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	Yes		
N The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	Yes		

O (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable). The Council met its responsibilities as a Trustee			✓

For any other risk areas identified by this authority (list any other risk areas below or on separate sheets if needed) adequate controls existed:

None identified.

Date(s) Internal Audit undertaken

Name of person who carried out the internal audit

22/05/2023

Lesley M Hewitt

Signature of person who carried out the internal audit:

Date: 30/5/23

** This Authority has a Basic Limited Assurance Review.

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Type of audit		Covering period	Date carried out
Final Review & Internal Audit		April 2022 to March 2023	22/5/23
Internal control	Suggested tests	Result	
A. Appropriate accounting records kept throughout the year.	Is there correct roll forward of prior year cashbook to new financial year	Yes. Opening balance of £27,731.36 brought forward correctly	
	Is the cashbook maintained and up-to-date	Yes	
	Is the cashbook arithmetically correct	Yes	
	Is the cashbook regularly balanced	Yes, monthly	
B. Standing orders and Financial Regulations adopted and applied, payments supported by invoices, all expenditure approved and VAT accounted for.	Has the Council formally adopted standing orders and financial regulations	Yes. Adopted Revised Standing orders to be used in conjunction with the New Standing Orders developed by NACL (M251.7) 10/5/18. Revised Financial Regulations adopted 20/5/21 re: to continue using BACS + debit card after COVID restrictions. Zoom meetings ceased (M284.3). Copies of Annual Governance Statement circulated, accepted and signed (M296.4) 9/6/23	
	Has a Responsible Financial Officer been appointed with specified duties	Yes, the Clerk	
	Have items or services above a de minimis amount been competitively purchased and formal tenders and quotes received.	Yes, as far as can be ascertained. Renewed orders for landscape work placed with Acorn Landscapes & Stillman Garden Services. (M301.4) 8/12/22 <ul style="list-style-type: none"> Acorn at same price for 2023 as last year 10/11/22. Stillman quote +£295 (M301.1). Internet comparisons were made for the gym equipment and the most economical choice made.	
	Are procedures in place for receipt of invoices, confirmation of goods delivery and payment approval.	Yes. Invoices and payments required listed monthly by Clerk in the Minutes. Payments approved at the meeting and invoices signed off by two Councillors.	
	Are payments in the cashbook supported by invoices, authorised and minuted.	Yes. Invoices numbered /included in Cashbook reference.	
	Is there effective segregation between writing of cheques (or online payments) and physical release of payments	All cheque, DD, debit card and online payments to be made listed in minutes for payment next month. Approved/signed by two Councillors.	

	Has VAT on payments been identified, recorded and reclaimed	VAT refund of £3,502.23 made for FY 2020/21 paid into bank 12/4/21. (M283.1) 15/4/21. Claim for FY 2021/22 was made for £4145.75 during April 2022 Claim for FY 2022/23 was made for £4034.91 in April 2023.
	Debit/credit card payments	Credit cards have not been issued to members of the Council or the Clerk. Council started to use a Debit card in July 2019. Because of the COVID 19 lockdowns the debit card and BACS payments have replaced use of cheques. Payments are reported in same way as other payment methods.
	Is s137 expenditure separately recorded and within statutory limits	Yes – £28.99 for 2022/23 for poppy wreath 13/10/22 (M299.4). £300 annual donation for village clock is being made. (This no longer covered by s137) NACL decreed Platinum Jubilee expenditure should go under S137. 13/10/22 (M299.8).
	Are internal financial controls documented and regularly reviewed	Yes
C. Risk management arrangements	Does a scan of the minutes identify any unusual financial activity	No.
	Has the Council prepared and formally adopted, at least annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.	Current H&S Risk Assessment issued to Council and dated November 2021. Includes play equipment. Separate risk assessment done for Playing Field 11/11/21. Discussion planned at April 2023 meeting followed by any needed revision.
	Is insurance cover appropriate and adequate - including public & employers' liability, fidelity/employees (including councillors) liability, business interruption and cyber security.	As far as can be ascertained. Asset Register recently revised 11/4/23. Assets listed in Ins. Document. Insurance renewed annually on 1 st June. Employers Liability & Public/Products Liability Ins arranged through Came & Co. Long term agreement expired 31/5/22. Renewal Documents received. New 3-year contract set up. 12/5/22 (M295.1). Insurance placed with

		<p>Gallagher/Came&Co, Authorised 12/5/22 (M257.19). £1,257.19.</p> <p>Policy updated 23/3/23 with new playground equipment, value £7,079.</p>
	<p>Are appropriate arrangements in place for monitoring play areas, open spaces and sports pitches</p>	<p>13/8/20 PPF Risk Assessment & General Risk Assessment updated. New risk assessment to be done at beginning of 2023/4 to include new equipment.</p> <p>Playing Field inspection took place in July.</p> <p>The annual inspection of the Playing Field, its equipment and facilities – ROSPA Report received September 22. Discussed. (M299.5) 13/10/22.</p> <ul style="list-style-type: none"> - 5/8/22 urgent work done immediately after inspection to remove section of multi-play equipment to make safe - Mainly 'low risk' recommendations - Minor issues resolved. <p>Cllr. Cope is responsible for monitoring and reporting inspection of the equipment.</p>
<p>D. Budgetary process and controls</p>	<p>Has the Council prepared an annual budget in support of its precept</p>	<p>Yes.</p> <p>13/10/22 (M299.9) Consideration of projects for 2023/4 – High St project, Coronation, Outdoor Gym, increased energy costs.</p> <p>10/11/22 (M300.6) Draft budget issued for discussion. Expect to start 2023/4 with reserve of c. £17,000 in the bank.</p> <ul style="list-style-type: none"> • Aim to keep precept the same in recognition of cost of living crisis. • £8,000 towards High St Feasibility Study by TfB. • Increase in electricity costs. • PPF Multi Play equipment. • Pedestal Monument restoration work (no estimates yet). <p>8/12/22 agreed budget for 2023/4 – as presented at Nov meeting.</p> <p>8/12/22 (M301.5) Precept set for 2023/24 at £42,500 – same as 2022/23.</p>

	Is actual expenditure against the budget regularly reported to the Council	<p>Yes, expenditure against budget recorded regularly by Clerk.</p> <p>13/10/22 (M299.8) Budget/expenditure comparison issued to Council.</p> <p>13/10/22 (299.8) Energy prices have increased and lighting element will be over budget. New electric contract started with an average increase of £80/month to £235/month.</p> <ul style="list-style-type: none"> First increased monthly energy bill 8/9/22 (discussed at Sept meeting) up £81 to £243.
	Has budget performance been reviewed and are there any significant unexplained variances from the budget	<p>No unexplained variances.</p> <p>7/4/22 (M294.5) need to revise budget discussed.</p> <ul style="list-style-type: none"> Electricity costs likely to go up c.£1,000. HS2 Safety Fund commitment will decrease by £1,000. Total expenditure for FY 22/23 is projected to be £83,984 (+£1,000). Projected income is £77,376 incl £20,000 reserve (- £2,000). <p>New 36-month contract with Southern Electric arranged from 1/9/22. £2,804.42/pa (currently £1,087pa).</p>
	Have specific earmarked reserves been established and reviews annually as part of the budget assessment process	Yes. £17,000 General Reserve budgeted for 2023/24.
	Does the precept recorded in the cashbook agree to the District Council's notification	<p>Yes.</p> <p>7/4/22 (M294.1) - £21,250 – 50% of precept received.</p> <p>13/10/22 - £21,250 received – 2nd 50% received.</p> <p>Devolved services grant from Bucks. Council:</p> <p>Signed new agreement 7/4/22 as it costs us more to provide the services.</p> <p>Devolved Services grant of £2094.62 received 12/5/22. To be used for grass verge work.</p>
E. Expected income was fully	Is income properly recorded and promptly banked	Yes

received based on correct prices, properly recorded and promptly banked; and VAT accounted for.	Allotments – register of tenants, appropriate agreements, payments made and debt chased.	Allotment rent renewal notices/invoices issued October 2022. Payments received during Sept & Oct, a few late payers, receipt of rents monitored monthly.
	Burials – register maintained, fees charged and recovered in reasonable time.	Registers maintained of burials and memorials. Higher than usual income this year.
	Hall hire, Leases, other income.	Downley Dynamos football team invoiced and paid £400 for playing field use 13/10/22.
F. Petty cash procedures	Debit/credit cards	Used for payment for goods when orders cannot be placed.
	Is all petty cash spent recorded and supported by VAT invoices/receipts	Yes. Previous External Auditor directed that Petty Cash is not applicable in future as no actual cash float is kept. (M243.3) 7/9/17.
	Are security controls over cash adequate and effective	Yes. Council/Chairperson approves all payments.
	Is petty cash expenditure reported to each Council meeting	Yes. Itemised expenditure is reported and re-imbursed monthly.
	Is petty cash reimbursement carried out regularly	Yes, expenses are re-imbursed monthly.
G. Payroll controls. Salaries to employees, allowances to members paid in accordance with the Council's approval and PAYE and NI properly applied.	Formal contract in place, any amendments formally recorded.	Clerk is only staff member. Clerk took up the position 25 years ago in Nov 2020. Clerk has been employed by the Council since Sept. 2009. Clerk has a contract, any changes to terms or pay are recorded in the minutes.
	Do salaries paid agree with those approved by the Council	Yes. 8/12/22 (M301.1). NACL notification of National Salary Awards. (Concerning the Clerk). Recommends backdating to April 2022. Clerk requested no backdated, start from April 2023. Clerk is on SCP32. 8/12/22 (M301.3) Council discussed proposed salary award. Resolved to increase salary by £1/hour to £19.90/hour, backdated to April 2022. (Published SCP32 rate is £19.91/hour). 12/1/23 Back pay paid to clerk with Dec salary. Annual WFH allowance of £500/annum remains the same. Paid with January 2023 .salary.

	Gross Pay calculated in accordance with approved spinal point on the NJC scale or hourly rate and also with the contracted hours.	Clerk works 40 hours/month. Hourly rate (SCP38) originally paid for the FY was £18.08/hour. Retrospectively, clerk entitled to SCP32 this FY. (Published hourly rate of £19.91/hour). Council agreed £19.90/hour and the pay rise was backdated to 1/4/22.
	Appropriate tax codes applied	Yes. As supplied by HMRC
	Is software program used up to date	As far as can be ascertained. i-Connect program used.
	Tax calculated appropriately	As per Tax Code
	Correct treatment of pension contributions	Paid into Bucks CC Pension Fund monthly. Clerks account.
	NI – correct deduction and employer's contributions applied.	Tax paid direct online to HMRC. Clerk receives State Pension and pays no NI.
	Correct employers' pension % contribution applied	Yes. Local Government Pension Scheme. 9/3/22: - 23.7% Employers contribution - 5.5% Employees contribution.
	Correct net pay with tax, NI and pension contributions correctly paid to respective agencies.	Yes. Council & Clerk's own pension contributions paid each month to BCC. Clerk pays tax and receives net pay, approved each month and with addition of expenses.
	Are other payments to the Clerk reasonable and approved by the Council	Yes.
H. Asset controls	Does the Council keep an asset register of all material assets owned	Yes.
	Are the Asset/Investments registers up-to-date – routinely with new assets at historic cost price, net of VAT and removal of disposed assets.	Yes. Latest with additional assets, dated 11/4/23. Includes new outdoor gym equipment. 3/3/23 Total asset value is £131.362. Cost and insurance prices given.
	Does register identify asset purchase cost and replacement/insured cost.	Yes
	Do asset insurance valuations agree with those in the asset register.	Yes. Current valuation is £131,362. Insurance renewable 1st June each year.
	Borrowing and lending	N/A - Council does not borrow or loan.
I. Bank reconciliation	Is there bank reconciliation for each account	Yes
	Is bank reconciliation carried out regularly on the receipt of statements	Yes. Monthly
	Are there any unexplained balancing entries in any reconciliation	None identified.

	Is year-end bank reconciliation correct and accurately stated in AGAR Section 2, Box 8.	Yes. £17,250.28 as @ 31/3/23.
J. Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts & Payments/Income & Expenditure)	Yes (R&P). 9/6/22 (M296.7) FY 2021/22 Year-end accounts to 31/3/22 approved by Counsellors.
	Do accounts agree with the cashbook	Yes.
	Is there an audit trail from underlying financial records to the accounts	Yes, invoices numbered and date of receipt recorded.
	Where appropriate, have debtors and creditors been properly recorded.	Yes. None outstanding.
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	<p>If receipts & payments each totalled less than £25,000:</p> <ul style="list-style-type: none"> - the correct exemption certificate was prepared and minuted - That it has been published on the Council's website and notice board 	N/A. Both greater than £25,000
L. The Council publishes information on a website and complies with the relevant Transparency Code	<p>Only for Councils covered by the £25,000 External Audit exemption.</p> <ul style="list-style-type: none"> - All required info published 	10/11/22 (M300.9) Meeting dates for 2023/4 put on notice boards and website in Dec. Website analysis received monthly.
M. The Council has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts & Audit regulations	30 working day period that the Council's records are available for public inspection	Annual accounts for FY ending March 2022 approved 7/4/22, issued at Annual Parish Meeting 12/5/22. Approved at PC meeting 9/6/22 (M296.7). 13/6/22 – 22/7/22 agreed as period of public inspection of the annual accounts 2021/22.
N. The Council complied with the publication requirements for the prior year AGAR	Met as detailed on front page of current years AGAR	Published on website and notice boards.
O. Trust funds		N/A. Council has none.

Notes:**Deaths, Burials & Memorials** - During the year there were:

- 3 burials, 19/4/22 Maramao (£190), 15/6/22 Chambers (£350), 16/2/23 Bucknall (£350).
- 2 burial of ashes 15/12/22 Colsell (£175), 23/1/23 Peters (£360).
- 3 placement of a memorial 29/9/22 Peters (£90), 8/22 Andrews (£90), 8/22 Hearn (£90)
- 2 inscription to an existing memorial 15/3/23 Maramao (£35). 4/22 Yandell (£35),

Year End balance of £27,731

Meetings have taken place in the Church Rooms but when this is sold the meetings will take place in West Wycombe Library.

WDALC/WAALC membership ceased on 7/4/22 (M294.7). 12/5/22 (M295.1) WAALC is to end as a association and the Council needs to check what representation parishes have within Bucks.

The main project for the FY 2022/23 was the installation of outdoor gym equipment in the Pedestal field (at a cost of £13,011). The High St project and renovation of the Pedestal Monument have again been delayed, by no fault of the Council who are waiting upon Bucks Council to provide estimates/services.

**WEST WYCOMBE PARISH COUNCIL
INTERNAL AUDIT PLAN
FINANCIAL YEAR 2023/24**

For the financial year 2023/24 the following internal audit activities are planned:

1. July 2023 – Interim review

- Examine the start of year accounts and the annual risk assessment.

2. During the year – Review of transactions

- Two sets of minutes selected at random and the financial actions specified within them traced through the Cash Book and supporting paperwork.
- For the months concerned, all financial transactions will be followed through the bookkeeping and the supporting paperwork and documents examined.

3. April/May 2024 - Annual review

Examine the accounts and documentation available for the financial year 2023/24 and the year-end accounts including:

- the annual budgeting process;
- the finalised budgets and precept request for 2024/25;
- scanning all minutes for the financial year;
- the accounts for each month;
- the final year-end accounts; and
- the Cash Book, Burial Records, Insurance Certificate and the adopted *Standing Orders, Financial Regulations and Procedures for the conduct of Parish Council meetings* (the Standing Orders).

Apply the key control tests provided in the *JPAG Best Practice Guidance for Internal Audit Testing*.

4. Recommendation of any improvements

If necessary, recommend any improvements to the Council.

Lesley Hewitt
Internal Auditor to WWPC
22 May 2023

**WEST WYCOMBE PARISH COUNCIL
FINAL REVIEW & INTERNAL AUDIT
FINANCIAL YEAR 2022/23**

1. Introduction

This brief report outlines the conduct and results of my annual review and internal audit of West Wycombe Parish Council's (WWPC) accounts for the financial year 2022/23. The purpose of the review was to evaluate the effectiveness of the risk management, controls and governance processes, examining the accounts and documentation available for the year and the year-end accounts.

The annual internal audit, carried out on 22 May 2023 examined the accounts up to the end of March 2023 and the year-end accounts including:

- the start of year accounts and the annual risk assessment;
- the annual budgeting process;
- the finalised budgets and precept request for 2023/24.

2. Method

The following tasks were carried out:

- Two sets of minutes were selected at random and the financial actions specified within them traced through the Cash Book, bank statements and supporting paperwork;
- All minutes for the financial year were scanned;
- The accounts were examined for each month;
- The final accounts were examined;
- Burial records were examined;
- The (computerised) Cash Book, Insurance Certificate and the adopted *Standing Orders, Financial Regulations and Procedures for the conduct of Parish Council meetings* (the Standing Orders) were examined.

3. Final Report

I applied the key control tests provided in the *JPAG Best Practise Guidance for Internal Audit Testing* and the results were as follows:

- The cash book was found to be maintained, arithmetically correct and regularly balanced;
- Standing orders and financial regulations have been adopted and applied and there are appropriate controls applied to payments;
- VAT has been identified, recorded and reclaimed;
- Risk management arrangements are in place and a Risk Register is maintained;
- The Council has prepared an annual budget in support of its precept, expenditure is regularly reported and significant variances have been adequately explained;
- Income has been properly recorded and promptly banked, the precept for 2022/23 was as expected and there are effective controls over cash;
- Petty cash procedures have been adhered to;

- The salary for the Clerk/RFO which was approved by the Council has been paid, as have expenses incurred. Since 1 September 2009 the Clerk has been employed by the Council which makes PAYE and pension payments for her;
- The bank account has been reconciled regularly, statements have been placed on file and no unexplained balancing entries were identified;
- There is an audit trail of numbers identifying payments between the Cash Book and the filed underlying documents. Debtors and creditors have been recorded.

Inspections of the playground are being carried out annually, in July this year.

4. Implementation of improvements

There were no recommendations last year.

5. Recommendations

There are no recommendations for improvement this year.

6. Summary

This year the Council's key and recurring concerns were:

- the safety of the PPF play area and expenditure on new and replacement equipment;
- establishment and maintenance of the Community Orchard to make better use of our green spaces;
- rising costs of energy.

I have no concerns about the accounts and I am satisfied that I can complete a satisfactory Annual Report.

As usual, the quality of the bookkeeping and filing has made my task very straightforward and ensured that the audit has proceeded smoothly.

Thank you for re-appointing me as your Internal Auditor for the coming financial year 2023/24. I have performed the role for the past 22 years and I am pleased, as ever, to complete the duties for my village for another year. However, I think that this coming year will be the last that I audit for you.

Lesley Hewitt
Internal Auditor to WWPC
31 May 2023