Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report 2024-25

Name of council:	Caversfield Parish Council		
Name of Internal Auditor:	Helen du Bois	Date of report:	7/5/25
Year ending:	31 March 2025	Date audit carried out:	1-6/5/25

To the Chairman of the Council,

The Accounts and Audit Regulations 2015 require Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes in accordance with proper practices[1]. The findings of the internal audit should inform the Council's preparation of Section 1 - Annual Governance Statement 2024-25 from the AGAR.

Caversfield Parish Council has complied with the requirement to appoint an independent auditor by appointing me to undertake the work. I undertook a series of checks using the documents available on the Council's website and additional documentation and information provided to me by Jane Olds, Clerk and RFO to Caversfield Parish Council. My questions were answered by email and in person during a review meeting with Jane held on 6th May 2025. I would like to thank Jane for providing the requested documents in a timely manner and for her prompt and detailed assistance with my queries.

I have provided details below of my findings and recommendations for each of the Internal Control Objectives listed on the Annual Internal Audit Report 2024-25:

A. Appropriate accounting records have been properly kept throughout the year: Y
The roll forward of the prior year cashbook balance to the new financial year was correct.
All receipts and payments were recorded correctly in the Caversfield balance sheet 24 25.xls and a sample of financial transactions were checked and verified.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for: Y
The Council adopted the most recent model of Financial Regulations on 19.3.25, they have been tailored to the Council.
The Council adopted the General Power of Competence on 17.5.23
VAT paid is recorded in the balance sheet.
All invoices for payment are recorded in the Payment Schedule; details of the invoices approved for payment are reported in the minutes.
The Clerk has delegated authority to make payments between meetings, as defined in the Scheme of Delegation adopted on 15.5.24.
The Council adopted an Internal Financial Control policy on 15.5.24, with Cllr Hitchcock appointed as the Councillor Responsible for Internal Financial Control. The minutes show that Internal Financial Control checks were carried out on 20.11.24.
The Clerk/ROF is entitled to use a debit card; the terms of use are clearly defined in the Council's Debit Card Use policy.

[1] The proper practices are set out in *Governance and Accountability for Smaller Authorities in England (2024), a* guide to the accounting practices to be followed by local councils which sets out the appropriate standard of financial reporting to be followed.

RECOMMENDATIONS

- *The Payment Schedule could include a permanent reference stating that the statutory power used for all payments is the General Power of Competence, Localism Act 2011*
- *NALC has recently issued a new Model Standing Orders to include the changes to Procurement Law – the Council should consider adopting the March 2025 model version at their next meeting.*

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

The Risk Assessment was considered and approved by the Council on 15.5.24.
The Council's insurance cover was renewed under a 3 year long term agreement on 17.7.24 with appropriate levels of cover.
The Council reviewed the effectiveness of the Internal Auditor for year 23/24 on 17.7.24 and reviewed the Internal Financial Control policy on 15.5.24.
VAT126 claims are submitted annually; a claim was submitted for the period Apr 23 – Mar 24 and a payment of £727.59 from HMRC was received on 1.5.24.

The Clerk explained that Councillors carry out checks on the safety of the Council's physical assets, these checks were not minuted in 23-24.

RECOMMENDATIONS:

- *It is good practise for the minutes to show that the Council considered whether the current level of insurance cover is still appropriate and adequate for the Council when approving the renewal payment.*

D. The Precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate: Y

The 24/25 Budget and resulting Precept were approved by the full Council on 17.1.24; the approved Budget and Precept values were recorded in the minutes.
The 24/25 Precept received matches the amount requested from Cherwell District Council.
Budget vs Actual Expenditure was reviewed by the Council in May 24, Sept 24 and Jan 25.
Funds are held as both general and earmarked Reserves. The Council approved a Financial Reserves policy on 15.5.24 and the levels of earmarked reserves were agreed; the Council has an appropriate amount of earmarked reserves.

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

All income was recorded correctly, and VAT was appropriately accounted for.

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for: N/A

The council does not use petty cash.

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

The Council's employee has a formal Employment Contract.
The Council is registered as an employer with HMRC and uses the Basic PAYE Tool.
The Clerk received the relevant 2024/25 NJC pay increase.
The Council has submitted a declaration of compliance to the Pensions Regulator.

H. Asset and investments registers were complete and accurate and properly maintained: **Y**

The Asset Register provided is up to date and properly maintained, it will be considered for approval by Councillors on 21.5.25.
The Council's insurance schedule provides adequate cover for the Council's assets.

I. Periodic bank account reconciliations were properly carried out during the year: Y

The Clerk confirmed that bank reconciliations were prepared by the Clerk/RFO and checked and signed by Councillors at each meeting.

The year-end Bank Reconciliation accurately reconciles the Council's bank accounts, there were no unpresented payments.
RECOMMENDATIONS:
- *The regular approval of the bank reconciliations should be recorded in the meeting minutes.*

J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded: Y
The Accounts were prepared on a 'receipts and payments' basis which is correct.
The cash book reconciles with the bank statements, invoices are kept, and the Finance Report and Payment Schedule considered at each meeting provides an adequate audit trail.

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: Y
The Council certified itself as exempt from an external audit in 2023-24 as both total annual gross income and total annual gross expenditure were less than £25,000. The declaration was minuted in the meeting held on 15.5.24 and the signed Certificate was published on the Council's website.

L. The authority publishes information on a website/web page, up to date at the time of the internal audit in accordance with the relevant legislation: Y
The Council publishes all required information on a website in accordance with the relevant legislation.

M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations: Y
The Notice of the Period for the Exercise of Public Rights published on the website correctly identified a 30-working day period and the published date of announcement was more than 1 day before the commencement date.
The dates of the Period for the Exercise of Public Rights in relation to the 2023/24 AGAR were published in the minutes on 15.5.24.

N. The authority has complied with the publication requirements for the 2023/24 AGAR: Y
The Council met the publication requirements in relation to the prior year's AGAR

O. Trust funds (including charitable) – the Council met its responsibilities as a trustee: N/A
Not Applicable.

I recommend that the Council also considers the following actions to maintain good governance:
- *The Staffing Committee must elect a Chairman at their first meeting of the Council year.*

It is my opinion that the records and procedures in place for the Council provide a good standard of control. This report should be taken to the next meeting of the Council to inform Councillors of the findings and recommendations of the Internal Audit.

Yours sincerely,

Helen du Bois, CiLCA
Internal Auditor to the Council
h.dubois@btinternet.com

The figures submitted to me for Section 2 – Accounting Statements in the Annual Governance and Accountability Return were:

	Year ending 31 March 2023	**Year ending 31 March 2024**
1. Balances brought forward	12,581	13,412
2. Annual precept	8,004	9,524
3. Total other receipts	1,716	4,301
4. Staff costs	2,375	2,494
5. Loan interest/capital repayments	0	0
6. Total other payments	6,514	6,626
7. Balances carried forward	13,412	18,117
8. Total cash and investments	13,412	18,117
9. Total fixed assets and long-term assets	11,916	13,279
10. Total borrowings	0	0

END