

## **BROADWAY PARISH COUNCIL INTERNAL AUDIT 2023-24**

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the 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 management and not left for internal audit.*

### **To: The Members of Broadway Parish Council:**

I met with Kim Larsson, Clerk & RFO, on Thursday 23<sup>rd</sup> May '24, and carried out the Internal Audit remotely via Microsoft Teams. Kim provided me with the Accounting Statements and full year accounts prior to our meeting and provided supplementary documentation during and after the meeting to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR).

Prior to our meeting, I spent time examining the publicly available information displayed on the council's website including a full review of the previous year's minutes and the Council's policies and procedures.

I was satisfied to see appropriate accounting records have been properly kept throughout the year and VAT properly accounted for. It was noted however, that the Financial Regs will need to be updated in line with the recent update from NALC. The Clerk was aware of this, and we also discussed that once the PC moves away from cheques to online payments, this will make life easier.

I suggested a few "good practice" additions such as (i) "Resolving" items agreed by Cllrs at meetings, in particular, but not excluding, planning applications; (ii) adding a link to the register of interests' page on the Somerset Council website; and (iii) reviewing the Council's policies, which are rather sparse and should include a Freedom of Information Publication Scheme, a Data Protection policy, and for good order, a Complaints procedure.

The Clerk was commended on her minutes; not too much detail but enough to get a good flavour of the meeting. It was also pleasing to see the attention to detail in the wording of the recent Cllr co-option, which was spot on!

The most important statutory issues identified during my audit process were:

- (i) The lack of a Financial Risk Assessment which is a legislative requirement under the Accounts & Audit Regulations 2011. Proper practices require a Council to maintain a Financial Risk register/assessment and review it at least annually. The Clerk was very much aware of this and informed me that this was covered off at their recent 7th May '24 meeting.
- (ii) There was no evidence of a Notice of Public Rights displayed during the financial year, which is also a legislative requirement under the Freedom of Information Act 2000, s.19. A statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

Unfortunately, because these two points are controls that I am required to check and see evidence of, I have had to mark these control objectives as not having been met on my AIAR, so an explanation will need to be provided when submitting the year end documentation to PKF Littlejohn.

Notwithstanding the above, I did witness from my thorough review that since joining as an Interim Clerk last December, Kim has made a number of significant best practice improvements, and a few more, which I hope were helpful, were suggested going forward.

To conclude, having tested all aspects of the council's internal controls that I am required to consider, based on the information made available to me, I am satisfied that in all significant respects bar items C and M of the AIAR, that internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

Joanna Simonds, PSLCC, CiLCA - Internal Auditor to the Council

The figures submitted in the Accounting Statements 2023/24 are:

	<b>Year ending 31 March 2023</b>	<b>Year ending 31 March 2024</b>
1. Balances brought forward	62,423	40,512
2. Precept or Rates and Levies	10,000	10,500
3. Total other receipts	64,809	16,625
4. Staff costs	3,798	3,499
5. Loan interest/capital repayments	0	0
6. All other payments	92,922	5,727
7. Balances carried forward	40,512	58,411
8. Total value of cash and short term investments	40,512	58,411
9. Total fixed assets plus long-term investments and assets	83,529	83,536
10. Total borrowings	0	0