Internal Audit Report 2022-23

Bishops Lydeard and Cothelstone Parish Council

Introduction

Hillside Business Services has completed an Internal Audit, in order to verify the Annual Governance and Accountability Return (AGAR) for Bishops Lydeard and Cothelstone Parish Council, for the financial year ending 31st March 2023.

This work has been undertaken by reviewing records and other documentation provided by the Parish Council, including; accounting records, bank statements, policies, minutes, invoices, receipts.

Findings identified during Internal Audit testing have been listed in the table below, along with recommendations on how improvement can be made.

Please note: Due to some of the bank accounts only having six monthly or annual statements, the bank balances have only been confirmed up to the date of the last statement. Therefore, it is advised that the parish council checks and confirms these balances on receipt of the next statement.

Conclusion

I can confirm that, for Bishops Lydeard and Cothelstone Parish Council, 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.

The findings below are medium - low risk 'housekeeping', and although they should be implemented to ensure best practice, they do not affect the overall opinion.

Findings & Recommendations:

Finding	Risk Level	Recommendation for Improvement
The council has bank balances in excess of £100,000, but currently doe not have a documented Investment Strategy.	Medium	In line with the requirements of the JPAG Practitioners Guide 2023: *"Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested, in accordance with an approved strategy which needs to have regard to DLUHC's statutory Guidance on local government investments. If total investments are to exceed the threshold specified in DLUHC's statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the DLUHC guidance."*
Although raised in previous reports, the Risk Register is still only be reviewed on an annual basis. Areas recommended for inclusion in the previous Internal Audit Report, have only just been included in a draft format due for review in May 2023.	Medium	For a council of this size, the Risk Register should be updated more regularly than annually. It is recommended that the Risk Register is updated quarterly. If the council becomes aware of any new risks, for example in respect of recent acquisitions or projects it is undertaking, the Risk Register should be updated immediately.

The purchase prices detailed within the Asset Register are inclusive of VAT. In line with the JPAG Practitioners Guide, the purchase price should be 'net of VAT'.	Low	The Asset Register should be updated to ensure that the prices included net of VAT. It is appreciated that this may not be possible for all historical requestions. In line with the requirements of the JPAG Practitioners Guide, the Asset Register should also detail the reasonable life span of all assets. This should also be included within the update.

Signature: T Roper

Date: 13th May 2023