

INTERNAL AUDIT REPORT BAYSTON HILL PARISH COUNCIL

The internal audit was carried out by undertaking the following tests in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

The interim internal audit provides evidence to support the annual internal audit conclusion in the AGAR for local councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, **except for** the recommendations reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

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| | ISSUE | RECOMMENDATION | FOLLOW UP |
|--|--|---|---|
| 2024/25 Year end internal audit | | | |
| 1 | Fidelity insurance is currently £250,000, however, fidelity insurance for should aim to cover the maximum projected cash and bank balances which is estimated as the year end cash and bank balances of £280,949 plus the next precept instalment of £204,183 in April 2025, which is an estimated maximum balance of £485,132 | <i>As part of risk assessment procedures, the council should annually estimate maximum projected cash and bank balances and set the level of fidelity insurance accordingly.</i> <i>The council should review the current level of fidelity insurance as it does not cover maximum projected cash and bank balances.</i> | Have requested uplift in cover from Zurich May 2025 |
| 2 | Pay rises are notified to the payroll agent via an email from the clerk. | <i>The Chair should be copied into the email from the clerk notifying the annual officer pay rise information to the payroll agent.</i> | Will adopt this procedure from May 2025 |
| 3 | Although we could identify lists of payments attached to minutes, we could not identify the following information published on the council website as prescribed in the Transparency Code: <i>PUBLICATION 32. Local authorities must also publish details of any</i> | <i>The council should ensure the website is maintained up to date and that it complies fully with the publication requirements of the Local Authority Transparency Code 2015.</i> | Will publish the required details from May 2025 |

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|--|---|-----------------------|------------------|
| | <p><i>contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:</i></p> <ul style="list-style-type: none"> - <i>reference number</i> - <i>title of agreement</i> - <i>LA department responsible</i> - <i>description of the goods and/or services being provided</i> - <i>supplier name and details</i> - <i>sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</i> - <i>Value Added Tax that cannot be recovered</i> - <i>start, end and review dates</i> - <i>whether or not the contract was the result of an invitation to quote or a published invitation to tender, and</i> - <i>whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number</i> | | |