

**INTERNAL AUDIT REPORT**  
**BURLAND and ACTON PARISH COUNCIL**  
**2023/24**

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)
- Review of year-end 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.

**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, subject to 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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**ACTION PLAN**

|                               | <b>ISSUE</b>  | <b>RECOMMENDATION</b>  | <b>FOLLOW UP</b>              |
|-------------------------------|---|--|-------------------------------|
| <b>2023/24 internal audit</b> |   |  |                               |
| 1                             | The AGAR is incorrect as brought forward balances (box 1.) should be £0 as the new merged council came into being in 2023/24. The brought forward reserves of Burland Prish Council of £1556 should be disclosed instead in box 3.) 'Other Receipts'.   | <i>The AGAR should be amended as noted.<br/><br/><b>NB The final version of the AGAR was amended for this issue.</b></i> | <b>Done</b>                   |
| 2                             | Cheque 832 for £700 is out of date and should be written back.  | <i>Out of dates cheques should be written back and not carried forward in the bank reconciliation.</i>                   | <b>This will be addressed</b> |
| 3                             | No VAT was received in the year regarding prior years.  | <i>VAT should be reclaimed on a timely basis and at least annually.</i>  | <b>This will be addressed</b> |
| 4                             | Although a draft risk assessment document was produced this was not approved by council in 2023/24. The May 2023 meeting deferred the approval until the June 2023 meeting, but the risk assessment was then not reviewed and approved in that meeting. | <i>The risk assessment should reviewed and approved by council ach financial year.</i>                                   | <b>This will be addressed</b> |

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|   | <b>ISSUE</b>   | <b>RECOMMENDATION</b>   | <b>FOLLOW UP</b>   |
|---|--|---|--|
| 5 | <p>One earmarked reserve of £43,218 for CIL monies was disclosed in the information provided for the internal audit. However, one of the previous councils, Acton Parish Council, had other earmarked reserves for Elections £6,000, and £10,000 car parks. Using the CIL monies solely as earmarked reserves leaves the council with total general reserves of £28,311 at the year-end which is 164% of the precept level.</p> <p>Sector guidance is that councils should aim for a general reserve level of between 25% and 100% of the precept or net operating expenditure. The Practitioners Guide also notes this recommended level of reserves.</p> | <p><i>The council should review the level of general reserves during the budget setting process with reference to sector guidance. Earmarked reserves required for future schemes/projects should be set aside and disclosed at the year end.</i></p> | <p><b>This will be addressed</b></p>   |
| 6 | <p>The fixed asset register does not contain the date of purchase and records no detailed information about the assets such as location. Some assets are grouped into one description so it would be difficult to inspect each individual asset as there is no further detailed information provided. Eg.) SIDs and Defibrillators.</p>  | <p><i>The fixed asset register format should be expanded to categorise grouped assets individually, include the purchase date, and asset location.</i></p>  | <p><b>This will be addressed, drawing on information from both predecessor councils.</b></p> |