

Lambourn Parish Council

<https://lambourn-pc.gov.uk/>

Year-end Internal Audit Report 2023-24



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I. The role of internal audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England & Wales) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector and internal auditing standards and guidance’.

The standards for ‘proper practices’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards 2016 [the Standards].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.





The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribution to the achievement of the Council’s objectives.

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2. Internal audit approach

To enable effective outcomes, our internal audit approach provides a combination of assurance review and consulting activities. Assurance reviews involve assessing how well systems and processes are designed and working, with consulting activities available to improve those systems and processes where necessary.

A full range of internal audit assurance reviews are performed in forming the interim and year end opinions with the approach to each area of review determined by:

-  The level of assurance required to meet statutory requirements
-  The Council's short, medium, and long term objectives
-  The level of confidence in the policies and procedures
-  The risks inherent in the Council's internal control methods



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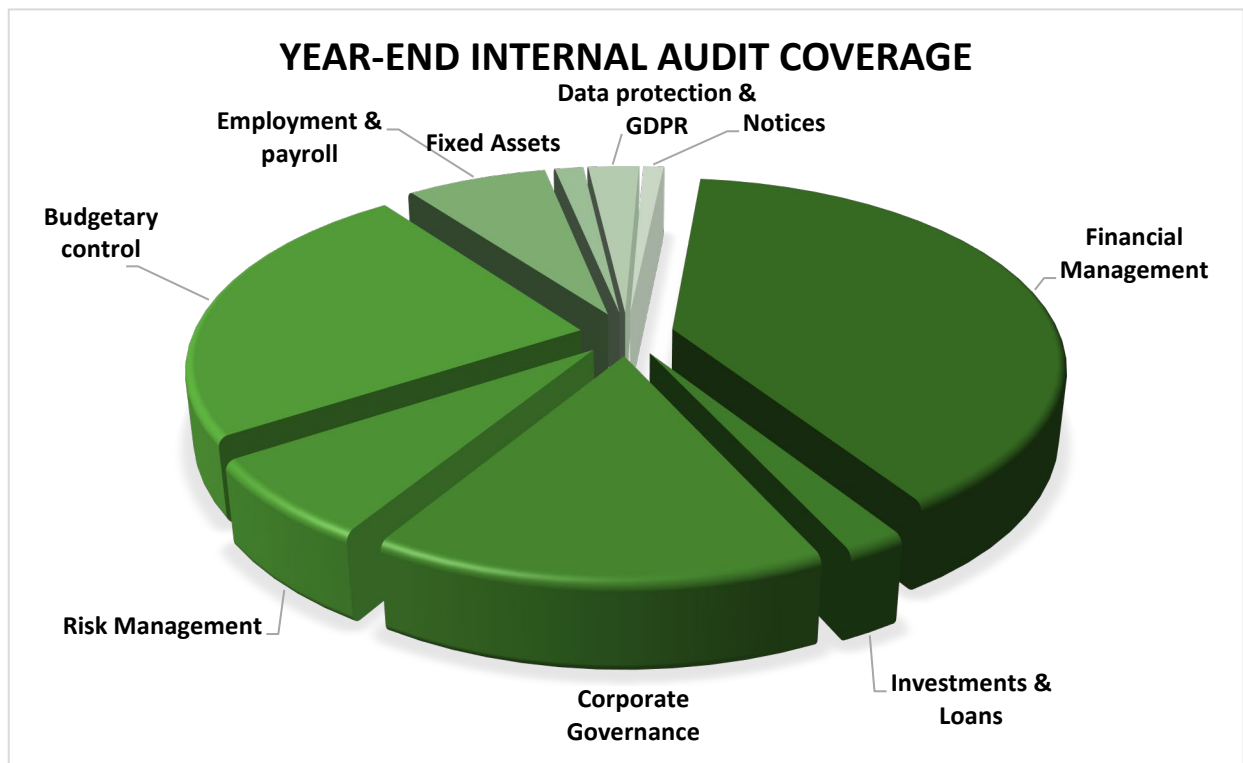
3. Internal audit coverage

The annual Internal Audit plan was prepared to take account of the unique characteristics and relative risks of Lambourn Parish Council's activities and to support the preparation of the Annual Governance and Annual Statement of Accounts contained within the Annual Governance and Accountability return.

Assurance reviews in 15 areas have been planned and performed to obtain sufficient information and explanation considered necessary to give reasonable assurance that the Council's Internal Controls systems are functioning effectively. The Internal Audit plan for the 2023-24 financial year was approved in consultation with the Council's Clerk & Responsible Finance Officer (RFO) and was informed by our own assessment of risk and materiality.

The plan will be modified in future years, in consultation with the Clerk/RFO and Council Members to ensure it is aligned to the objectives of, and key risks facing the Council.

WGW online has provided assurance across the 15 areas of review which correspond to the Internal Control objectives contained within the AGAR Annual Internal Audit Report, during the 2023-24 financial year to the 31st of March 2024.









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4. Internal audit opinion

The Head of WGW online is responsible for the delivery of an interim and annual Internal Audit opinion and report that may be used by the Council to inform its Governance and Accounting statements in the Annual Governance and Accountability (AGAR) return. The interim review was conducted onsite with the Clerk/RFO on the 25th of October 2023, and supplemented by the year-end review which was conducted onsite on the 2nd of May 2024 with subsequent work being performed at our offices, examined the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance may be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

-  The interim internal audit work & reports completed onsite and at our offices;
-  The results of the follow up exercises undertaken with the Chairwoman, and the Clerk/RFO in respect of the prior year internal audit reports;
-  The results of the External Auditor's report for the 2022-23 financial year;
-  The responses of the Council's resources to our interim 2023-24 internal audit report;
-  The quality and performance of the Council's administrative function and the extent of compliance with the Standards defined in the Joint Panel on Accountability and Governance, Practitioner's Guide; and,
-  The proportion of Lambourn Parish Council's audit requirement that has been covered during the interim and year-end reviews.

Internal audit opinion

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Lambourn Parish Council's Internal Control Ecosystem.

One recommendation for improvement was documented during the interim audit and two further recommendations have been documented during the year-end audit. All deficiencies are recorded in the main body of the report and corresponding recommendations made in section 9: Issues identified during the 2023-24 audit cycle.

In my opinion, Lambourn Parish Council's framework of governance, risk management and management control has 'Substantial assurance' with internal controls working in practice.

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5. Council profile

Council name:	Lambourn Parish Council
Address:	Memorial Hall, Oxford Street, Lambourn, Berkshire RG17 8XP
Unitary authority:	West Berkshire Council, Market Street, Newbury RG14 5LD
Proper officer:	Mr Gary Wyatt-Hawkins
Responsible Finance Officer:	Mr Gary Wyatt-Hawkins
General Power of Competence:	The Clerk/RFO achieved CiLCA qualification at the year-end.
Members:	Eleven current Councillor Members, fifteen seats available
Elected Members:	Ten
Co-opted Members:	One
Chairperson:	Victoria Jane Rieunier
Vice-chairperson:	Helen Noll
Members Register:	Register details held in the Council office and published on the official website.
Head of Electorate:	3,103 (Three thousand, one-hundred and three).
Current precept:	£177,500 Precept submitted for the 2024-25 financial year.
External Auditor's report:	The Council has received an 'unqualified' External Auditor's report for the 2022-23 financial year.
Website:	The Council maintains a free to access website on a secure server, published at https://lambourn-pc.gov.uk/

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6. Corporate Governance

The objective in this area of review is to ensure that the Council has robust corporate governance arrangements in place, and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings) all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been or are being considered for implementation. We have:-

-  Noted that the Standing Orders and Financial Regulations were last reviewed and re-adopted at the 17th of May 2023 Annual Meeting of the Parish Council under Minute reference 216/05/23-4 and 216/05/23-3 respectively;
-  Concluded our review of the minutes of Full Council and its Standing Committee meetings (excluding Planning) for the year ensuring that no issues affecting the Council's financial stability either in the short, medium or long term exist, noting that the Council's Minutes are of a consistently high quality. We have noted that Business which has already been Resolved, in relation to the Council's budget has been revisited less than six months for the date of the original Resolution being made; **Outcome: Limited Assurance**
-  Noted that the Council has adopted the Terms of Reference and Schemes of Delegation for its Standing Committees and informal working parties;
-  Noted that the Council maintains its Risk Registers in the Local Councils Risk Software (LCRS) which is considered the sector standard software solution for small to medium sized Town and Parish Councils. We further note that the Council's Risk Registers are reasonable, proportionate and appropriate for the Council's current and ongoing needs;
-  We note that the Council Members' Register of Interests have been updated, are available in the Council's offices and published on the Council's official website;
-  Noted that the Council continues to make Grants and Community Contributions to local organisations using appropriate Powers, including LGA 1972 s.137 ('the Power of last resort');
-  Noted that the Council was not eligible to adopt the General Power of Competence (as the Clerk/RFO did not attain CiLCA qualification until the 2023-24 year end), Minute ref: 219/05/23;
-  Noted that the Council confirmed the publication of the Notice of the Exercise of Public Rights on the 12th of June 2023 with the review period commencing on Friday 21st July 2023 and ending on Friday the 22nd of July 2022, a period of exactly thirty working days including the first ten working days in July, under Minute reference 238/05/23-5;
-  Noted that the Council maintains a website published on a secure website at <https://lambourn-pc.gov.uk/> which is compliant with current Accessibility Legislation, and upon which the Council's Minutes Agenda, Policies Procedures and other information may be found; and,
-  Noted that the Council's continued compliance with the General Data Protection Regulation.

1) **Outcome: Limited Assurance**

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7. Year-end internal audit







Internal control objective 'A'

'Appropriate accounting records have been properly kept throughout the financial year.'

The objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and no anomalous entries appear in the financial ledgers.

Finance systems

The Council continues to utilise the Rialtas Alpha accounting system, considered the leading sector standard software solution for small to medium sized councils, to maintain its financial records. We note that the Council continues to retain the bookkeeping services of DCK Accounting Solutions. We have:

-  Checked and verified that the closing balance for the 2022-23 financial year was correctly brought forward as the opening balance of the 2023-24 financial year;
-  Ensured that the nominal code structure remains appropriate to facilitate budgetary, income and expenditure analysis and reporting;
-  Ensured that proper segregation of duties are in place with the Clerk/RFO being able to load supplier and payment information, but not being able to approve and authorise payments;
-  Checked and verified all transactions on all Rialtas Alpha cashbooks for the months of April, June, September and December 2023, and March 2024;
-  Checked and verified the closing balance for the 2023-24 financial year was correctly disclosed in the Statement of Accounts; and,
-  Noted that the Council retains an external IT services provider and has robust backup and reasonable and proportionate data security measures in place. Should assistance or technical support be required with the Rialtas Alpha finance system, RBS technical and accounting staff are able to access the system remotely via a secure access system.








There are no matters arising in this area of review warranting formal comment or recommendation.

2) Outcome: Substantial assurance.

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Bank and building society accounts

The Council retains the public funds under its management in three separate accounts with three different financial institutions:

-  The Council maintains a bank account with Barclays bank which is utilised as the council's primary current account;
-  The Council maintained a bank account with Santander Bank which was utilised to retain Local Neighbourhood Development Funds. This account is in the process of being closed. The residual funds were, as Resolved, transferred to the Barclays Bank primary current account;
- Outcome: Adequate Assurance**
-  The Council maintains a building society account with the Newbury Building Society, which is utilised to retain the Council's earmarked reserves, CIL and S106 funds;
-  Lambourn Parish Council availed itself of electronic banking in 2022. The current Financial Regulations accord with the Council's current Internal Control with two authorising persons required to process each payment;
-  The Newbury Building Society account operated by the council has an appropriate number of Council Members as authorising signatories;
-  The Barclays Bank and Santander Bank accounts operated by the council have an appropriate number of Council Members as authorising signatories; and,
-  The Clerk/RFO has is a signatory to the Mandate for all the Council's financial accounts to make enquires and to load payments only, not to authorise payments, ensuring proper segregation of duties.

3) **Outcome: Adequate Assurance**

Investments and Loans

The Clerk/RFO has certified that the Council retains no public funds in other investments and has no loans owed either by it, or to it.

There are no matters arising in this area of review warranting formal comment or recommendation.

4) **Outcome: Substantial Assurance.**

Credit and Debit cards

We note that the Council has a single debit card in place, issued on the Barclays bank account. All expenditure via the debit card is treated to the same standard of scrutiny as other payment documents. The card is issued in the Clerk/RFO's name, is held in a locked and secure location and may only be used by the Clerk/RFO for incidental expenditure.

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A deposit only card is used to make cash and cheque deposits directly at the Lambourn Post Office on the day of receipt, e.g. Market rent is banked on the same day as it is received by the Council.





There are no matters arising in this area of review warranting formal comment or recommendation.

5) Outcome: Substantial Assurance





Internal control objective 'B'

'This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.'

The objective in this area of review is to ensure that Council resources are released in accordance with the Council's approved procedures and budgets, that payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available, that correct expense codes have been applied to invoices when processed, and that VAT has been appropriately identified and coded to the control account for periodic recovery. We have:

-  Noted that the Council is in the process of undertaking a formal tender in relation to its Street Lighting project. The Tender has been correctly advertised on the Governments ContractsFinder portal under reference LPC-SL-0823 and it is also published on the Council's official website at <https://lambourn-pc.gov.uk> . The closing date for Tender submissions was the 12th of October 2023;
-  Checked and verified that all quotations undertaken during the period of the 1st of April to the 31st of March 2024 have been undertaken in accordance with the Council's extant Standing Orders and Financial Regulations;
-  Noted that no Purchase Order system is in place due to the size of the Council. Significant purchases are confirmed to the supplier by the Clerk/RFO, via email, at the instruction of the Council;
-  Concluded our payment document testing process for the 2023-24 financial, to ensure compliance with the above criteria. We selected a sample of high value (non-payroll related) payments individually in excess of £900.00, together with a more random sample of every 20th cashbook transaction irrespective of value for the financial year to 31st of March 2024.

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-  Our test sample comprises 33 payments, totalling £37,002.00 and equates to 40% of all non-pay related payments made to the above date. All payment documents in our test sample complied with the testing criteria;
-  Checked and verified that all payment documents, which have been validated by the Clerk/RFO, are presented to Members of the Full Council for Scrutiny and Approval;
-  Checked and verified that all payment authorisations are recorded in the Council's published Minutes. Payments are made at a maximum of 2 (two) days after each authorising meeting. However, in this area of review we have noted that the Authorisation of Expenditure process has become conflated with the Payment Authorisation process instead of being ring-fenced as two discreet processes; and,
-  Checked and verified Council's all four quarterly VAT reclaims of the 2023-24 financial year to the Rialtas control account detail, noting that the year-end VAT reclaim for the period from the 1st of January to the 31st of March 2024 had been created, in the amount of £2,649.88 but not submitted as of the 2nd of May 2024.



There are no matters arising in this area of review warranting formal comment or recommendation.

6) Outcome: Substantial Assurance







Internal control objective 'C'

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

The objective in this area of review is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature. We also aim to ensure that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition. We have: -

-  Noted that the Council maintains its Risk Registers in the Local Council Risk System software from DMH Solutions which is considered the sector standard from small to medium sized councils;
-  Noted that the Clerk/RFO currently maintains the Risk Registers with input from each of the Council's standing committees. The Council's FY2023-24 Risk Registers were last reviewed and formally adopted during the 17th of May 2023 Annual Meeting of the Parish Council, under Minute reference 217/05/23. The Council adopted a formal Risk Management Policy during the 6th of December meeting of the Parish Council under Minute 359 b);

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-  Noted that the Council has three playgrounds under its management: The Old Cricket Field (Skate Park), Eastbury playground and Mill Lane. As of the 31st of March 2024, the Council did not have a Playground Management Policy in place. However, one had been drafted and presented to the Full Council during its 6th of December 2024 meeting. The Policy was referred for further amendment under Minute reference 359 b);
-  Noted that both the Clerk and the Deputy Clerk undertake the regular visual inspections of the Council's playgrounds and recreation areas and that neither has attended a playground inspectors' course and is not a qualified playground inspector';
-  Noted that the Clerk, or the Deputy Clerk, (dependent upon who is conducting the inspection), completes a playground inspection report/form to identify any defects or concerns;
-  Noted that the Deputy Clerk's playground inspection reports are submitted for scrutiny to BOSA for action. We are advised by the Clerk/RFO that these reports are retained for the statutory required period of eighteen plus three years (twenty one years) by the Council;
-  Noted that the RoSPA accredited Play Inspection Company undertakes the biannual independent playground & recreation area inspections on behalf of the council. Minutes confirm the reports are subject to scrutiny at both Committee and Full Council as appropriate; and,
-  Examined the Council's insurance policy to ensure that appropriate cover is in place: Cover is provided by Zurich Municipal under a 'Select for Local Council's policy, number YLL-2720841233 with the period of cover extending from the 1st October 2023 to the 30th September 2024: Key features include: Employers Liability £10 million, Products & Public Liability £12 million, Hirers' Liability £2 million, Fidelity Guarantee £250K, Libel & Slander £250K, Money £250K, Legal Expenses £200K, Business Interruption £10K. We consider the level of cover appropriate for the Council's current needs.

There are no matters in this area of review warranting formal comment or recommendation.

7) **Outcome: Substantial Assurance**









Internal control objective 'D'

'The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.'

The objective in this area of review is to ensure that the Council has determined its annual budget based on sound assumptions of intended spending, that sufficient funds are available to meet future spending plans and that members are kept aware of actual budgetary performance during the course

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of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund:

-  We note from our review of the Council's Minutes that Members receive a Budget Vs Actual statement, both at Full Council and Committee level, on a monthly basis. A full Budget vs Actual report is presented to the Finance Committee on the 10th day of each month following the previous quarter end;
-  We note that the Clerk/RFO and Members undertook a detailed and robust Budget setting and Precept determination process in respect of the Council's expenditure requirements for the 2024-25 financial year;
-  The Clerk/RFO produces the budget/forecast report from Rialtas and breaks this down into committee reports in Excel. Each committee completes their own budget and gives their feedback to the Finance Committee which reviews this and submits a revised budget to the Full Council for Members' consideration;
-  We note that the Budget and Precept for the 2024-25 financial year was Resolved during the 6th of December 2023 meeting of the Full Parish Council, in the amount of £177,500 and representing a three per cent increase over the 2023-24 financial year, under Minute reference 360/23;
-  We note that the Council maintains fourteen earmarked reserves. The opening balance at the 1st of April 2023 was £74,771.32, with net in-year transfers of £43,450.92, resulting in a closing balance of £118,222.24 at the 31st of March 2024;
-  We noted the year-end out-turn with the Council holding total cash at bank at the 31st of March 2024 in the amount of £281,653, earmarked reserves of £118,222 leaving General Reserve of £163,431 which equates to approximately nine months reserve based on the average prior-year monthly expenditure. This sits comfortably within the current guidance for councils of Lambourn Parish Council's size to retain between six and twelve months General Reserve;
-  We have checked and verified the budget vs. actual by cost centre report to the 31st of March 2024, noting that actual and predicted expenditure remained broadly in line with projections; and,
-  Noted the Clerk/RFO's variance report for the 2023-24 financial year with no matters requiring further explanation or investigation.

There are no matters arising in this area of review warranting formal comment or recommendation.

8) **Outcome: Substantial Assurance.**

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Internal control objective 'E'

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

The objective in this area of review is to ensure that the Council maintains appropriate records are to ensure that all income due to the Council is identified, invoiced accordingly, and recovered within an appropriate time scale.

In addition to the Precept the Council receives supplementary income from a relatively limited variety of areas including: Hall hire, Burial fees, Market fees, Paddock rental, VAT reclaims, CIL and S106 funds, occasional grants and donations and Bank interest.

We note from the Council's published Minutes and the schedule of Fees and Charges provided, that as required by statute, the Clerk/RFO and Members formally reviewed and established the fees and charges for its services for the 2023-24 financial year. We have:

-  Noted that the Council provides no services requiring the application of VAT;
-  Noted that the Council has no leases in place for any third party;
-  Noted that the Council holds no saleable stock; and,
-  Noted that the Council demonstrates reasonable and proportionate credit control processes and receives the majority of payments for services in advance;

Further, we have reviewed the following of the Council's non-Precept income sources:

Hall Hire fees

We have reviewed the Hall Hire bookings process, sales invoices and receipts for the period of the 1st of April 2023 to the 31st of March 2024 noting that the Council has at all times has acted in accordance with its own Financial Regulations, collected the monies owed to it and that these monies have been properly recorded in the Rialtas Alpha financial system. Where payments have not been received

electronically, all banking has been undertaken within the calendar month, a reasonable time frame due to the limited access to banking facilities.

There are no matters arising in this area of review warranting formal comment or recommendation.

9) Outcome: Substantial Assurance.

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Market fees

The Chairwoman meets the 'Market Toby' to collect the rental for all stall holders and signs a receipt book to acknowledge the receipt of the cash. In the event that the Market Toby is absent, the Clerk/RFO collects the market rental from each stall holder and issues them with a receipt.

All Cash and cheques received (market and hall hire), the Clerk/RFO produces a paying in record uniquely identifying each receipt without teeming or lading. Market rentals received are paid into the Lambourn Post Office, using the Council's deposit card, upon the day of receipt.

There are no matters arising in this area of review warranting formal comment or recommendation.

10) Outcome: Substantial Assurance

Burial and Interment fees

We have reviewed the interment fees and burial records for the Financial Year from the 1st of April 2023 to the 31st of March 2024 noting that there were fifteen (15) interments during this period. We have checked and verified the following documents:

- Current interment fees for burials, disposition of cremations and memorials;
- Sales Invoices in relation to Interments;
- Bank statements;
- Current account cashbook; and
- Undertakers' documentation and corresponding interment certificates

There are no matters arising in this area of review warranting formal comment or recommendation.

11) Outcome: Substantial Assurance

Internal control objective 'F'

'Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved, and VAT appropriately accounted for.'

The objective in this area of review is to ensure that the Council manages its Petty Cash system(s) in accordance with its adopted Financial Regulations, that items purchased are suitable for the Council's use, transactions are correctly recorded in the Council's cashbooks, that VAT is identified for recovery where appropriate and that the Petty Cash account is reconciled on an appropriate basis.

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Lambourn Parish Council does not operate a Petty Cash system.

There are no matters arising in this area of review warranting formal comment or recommendation.









12) Outcome: Substantial Assurance

Internal control objective '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.'

The objective in this area of review is to ensure that the Council is appropriately observing extant legislation regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the workplace pension scheme (Nest).

To meet the above objectives, we have: -

-  Noted that the Council has five employees: The Clerk/RFO, Deputy Clerk, Caretaker, Relief caretaker and litter picker;
-  Checked and verified the Establishment list provided by the Clerk/RFO;
-  Noted that the Clerk/RFO and Deputy Clerk are in receipt of employment contracts based upon HALC model documents;
-  Noted the payroll production process remains outsourced to DCK Accounting Services;
-  Checked and verified the Payroll and Pensions reports from 01.04.23 to 31.03.24;
-  We have noted that there has been an error in the initial set-up of the Nest Pensions scheme, which was based on the statutory minimum employer contribution in error. The Chair of the Staffing Committee has rectified this mistake and the pensions contributions have been adjusted and backdated;
-  Checked and verified the gross salaries paid to individuals in September 2023 with reference to the approved Establishment List of staff salaries for 2023-24; and,
-  Verified the detail of the net salary and third-party payments of PAYE / NI and Pension contributions by reference to payslips and payroll summary reports and the subsequent payments issued.

There are no matters arising in this area of review warranting formal comment or recommendation.

13) Outcome: Substantial Assurance

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Internal control objective 'H'

'Assets and investments registers were complete and accurate and properly maintained.'

The objective in this area of review is to ensure that the Council has prepared and maintains a register of its stock of land, buildings, vehicles, furniture and equipment as required by the Governance and Accountability Manual.

We note that the council continues to maintain a reasonable and proportionate fixed asset register which is maintained in an Excel spreadsheet. To date, we have reviewed the fixed asset register against the insurance schedule noting that all categories of assets are properly maintained and agreeing in year acquisitions and disposals.

Finally, in this area of our review, we have checked and verify the Fixed Asset Value recorded in the register as at the 31st of March 2024, in the amount of £425,933 (*£424,681 prior-year*) to ensure its correct disclosure in the AGAR Section 2 – Accounting Statements for the 2023-24 financial year.

There are no matters arising in this area of review warranting formal comment or recommendation.

14) Outcome: Substantial Assurance

Internal control objective 'I'




'Periodic bank account reconciliations were properly carried out during the year.'

The objective in this area of review is to ensure that the Council conducts regular reconciliations of the bank, building society and other investment accounts in which it maintains the public funds raised by taxation. That these reconciliations along with the corresponding account statements are presented to Members for their scrutiny and approval with that being recorded in the Minutes of the Full Council or its Committees.

The Clerk/RFO reconciles the Council's Barclays Bank current account every month. The Santander Bank only produced a new account statement when a transaction has occurred, and the account was in the process of being closed on the 31st of March 2024 and the correspondence from Santander

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recorded a zero balance on the account. The Newbury building society account is reconciled once, annually, corresponding with the receipt of the annual statement. We have:

-  Checked and verified the Bank Reconciliation statements on the Barclays Bank current account for the period of the 1st of April 2023 to the 31st of March 2024, with no issues arising;
-  Checked and verified the Bank Reconciliation statements on the Santander Bank account for the period of the 1st of April to the 30th of September 2023, and the closing balance at the 31st of March 2024 recorded as zero, with no issues arising; and,
-  Checked and verified the Bank Reconciliation statement on the Newbury Building Society Account to the 31st of March 2024 with reference to the Building Society's original correspondence. We have Noted that the Newbury Building Society Passbook had been misplaced. Subsequently, this was cancelled by the Clerk/RFO, who was awaiting a replacement Passbook at the date of the year-end audit. No unauthorised payments or withdrawals have been made on the account to the 31st of March 2024.

There are no matters arising in this area of review warranting formal comment and recommendation.

15) **Outcome: Substantial Assurance**

Internal control objective 'J'

'Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.'







The objective in this area of review is to ensure that the Council is compliant with the 1996 Accounts and Audit Regulations which requires all Councils to prepare annually a detailed Statement of Accounts, together with supporting statements identifying other aspects of the Council's financial affairs.

The Council's accounts are managed in the Rialtas Alpha software accounting package, detail of which we have examined and consider reflects accurately the full financial year's transactions (2023-2024) as recorded therein.







The software is used to record all the Council's financial transactions, and to facilitate the following working records and management reports:

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Working records

-  Cashbooks
-  Journals
-  Reconciliation statements
-  Budgetary reports
-  Cemetery Management
-  VAT Reclaim reports

Management reports

-  Earmarked Reserves
-  Trial balance
-  Nominal Ledger
-  Income and expenditure reports
-  Statutory balance sheet
-  AGAR Annual Return detail

We have examined the Closing Trial Balance as at the 31st of March 2023 and checked and verified this against the Opening Trial Balance as at the 1st of April 2023 (noting that this was corrected by Rialtas technical support, the discrepancy due to an external reporting tool used by the Council's retained accountants for the creation of the year-end accounts).

Further, we have checked and verified the income and expenditure reports to ensure appropriate coding has been applied and that there is no unexplained or unbudgeted expenditure with no matters arising, ensuring that the cashbooks remain in balance for the period of the 1st of April 2023 to the 31st of March 2024.

Finally, in this area of review, we have undertaken a 'line-item' check and verification for all the Council's cashbooks, journals, nominal ledger, for the months of April, June, September and December 2023 and March, to the 31st of March 2024, with reference to the supporting prime documentation and the Council's published Minutes.

There are no matters arising in this area of review warranting formal comment and recommendation.

16) Outcome: Substantial Assurance

Internal control objective 'K'

'If the authority certified itself as exempt from a limited assurance review in 2022-23, it met the exemption criteria and correctly declared itself exempt.'

The objective in this area of review is to ensure that the Council is to ensure that where a council has certified itself as exempt from a limited review in the prior financial year, it met with the exemption criteria to do so.

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Lambourn Parish Council has a turnover in excess of £25,000.00 and as such it does not meet the exemption criteria. The Council was subject a limited assurance review of its 2022-23 Annual Governance and Accountability Return (AGAR) as required by statute.









There are no matters arising in this area of review warranting formal comment or recommendation.

17) Outcome: Substantial Assurance








Internal control objective 'L'

'The authority publishes information on a free to access website / webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements.'

The objective in this area of review is to ensure that the Council publishes information on a free to access website, hosted on a secure server, and compliant with the Transparency Code (where applicable), prevailing Accessibility Legislation and the General Data Protection Legislation (GDPR) and has appropriate Data Protection policies in place. We have:

-  We have noted that the Council publishes a content rich and easy to navigate and use website. The website is published on a secure server which is required of all public authorities utilising government specific domain names. Further, although the Council is not required to comply with the Transparency Code (as stated above) it publishes all the information required to do so on its website, which is to be commended.
-  Noted that the Council's turnover is in excess of £25,000 and that it is not currently required to comply with the Transparency Code;
-  Noted that the Council maintains an official website published on a secure website at <https://lambourn-pc.gov.uk/> which, as far as can be ascertained, is compliant with current Accessibility Legislation;
-  Noted that the Council has registered with the Information Commissioner's Office;
-  Noted that the Council publishes its adopted Standing Orders and Financial Regulations on its website;
-  Noted that the Council publishes its adopted Policies and Procedures on its website;
-  Noted that the Council publishes the Agenda and Minutes of its Full Council and Standing Committee meetings on its website;
-  Noted that the Council publishes an archive of the prior year Minutes & Agenda on its website;

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-  Noted that the Council publishes its audited prior year accounts with the corresponding Annual Governance and Accountability Return (AGAR) containing the External Auditor's opinion, corresponding Internal Audit reports and Notice of Conclusion of Audit announcements on its website;
-  Noted that the Council has published the Notice of Exercise of Public Rights for the 2022-23 financial year on its website;
-  Noted that the Council has published the diary of meetings for the 2023-24 Municipal Year on its website;
-  Noted that the Council publishes its Fixed Asset Register on its website, including details of property and land owned by it;
-  Noted that the Council has a social media presence on Facebook, in addition to its website, the usage thereof is controlled under its adopted Social Media policy;
-  Noted that the Council is in the process of issuing its Officers and Members domain specific council email addresses exclusively for Council business; and,
-  Noted that the Clerk/RFO has undertaken a full Data Impact Assessment and to ensure compliance with the General Data Protection Regulation (GDPR) as Amended from time to time.


There are no matters arising in this area of review warranting formal comment or recommendation.

18) Outcome: Substantial Assurance




Internal control objective 'M'

'The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.'

The objective in this area of review is to ensure that the Council has met its statutory requirements to publish the Notice for the Exercise of Public Rights meeting the following criteria: The notice must be published, at least one day after the formal announcement has been made at a meeting of the Full Council or its committees as recorded in the Council's minutes for a period of exactly 30 working days, to include the first ten working days in July. The notice is required to be published on the Council's website and prominently on its noticeboards. We have:

-  Checked and verified the Council's minutes to confirm that the Resolution to publish the Notice of Exercise of Public rights was made during the 7th of June 2023 meeting of the Full Parish Council, under Minute reference 238/05/23-5. The Notice was subsequently dated the 8th of June 2023;

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-  Noted that the Notice of Exercise of Public Rights is dated from Monday the 12th of June to Friday the 21st of July 2023 inclusive: (Exactly 30 working days including the first ten working days in July);
-  Noted that the Notice of Exercise of Public Rights is published on the Council's official website as previously stated; and,
-  Checked and verified with the Clerk/RFO that the Notice of Exercise of Public Rights was displayed, prominently, on the Council's notice boards for the period required.





There are no matters arising in this area of review warranting formal comment or recommendation.

19) Outcome: Substantial Assurance

Internal control objective 'N'

'The authority, has complied with the publication requirements for 2023-24 AGAR.'

The objective in this area of review is to ensure that the Council has met its statutory requirements to publish the Notice of Conclusion of Audit, after the Receipt of the External Auditor's certificate and report. We have:

-  Noted that the Council received an 'Unqualified' External Auditor's report and certificate, in respect of the 2022-23 financial year, from PKF Littlejohn LLP dated the 23rd of September 2023;
-  Noted that the Announcement of the Notice of Conclusion of Audit was made on the 29th of September 2023, by Mr Gary Wyatt-Hawkins the Clerk & Responsible Finance Officer (RFO);
-  Noted that the AGAR, External Auditor's Certificate and report and the Notice of Conclusion of Audit for the 2022-23 financial year are published on the Council's official website; and,
-  Checked and verified with the Clerk/RFO that the Notice of Conclusion of Audit for the 2022-23 financial year was published prominently on the Council's Noticeboards.

20) Outcome: Substantial Assurance

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Internal control objective 'O'

'Trust funds (including charitable) – The council met its responsibilities as a trustee.'

The objective in this area of review is to ensure that the Council has met its statutory requirements where it acts as a trustee for any trust fund or charitable trust, including maintaining separate financial and bank accounts and making all required statutory returns to the Charities Commission and/or the HMRC.



The Clerk/RFO has certified that Lambourn Parish Council is not responsible for any Trust Fund or Charitable Trust and has no responsibilities as a trustee for any organisation.

There are no matters arising in this area of review warranting formal comment or recommendation.

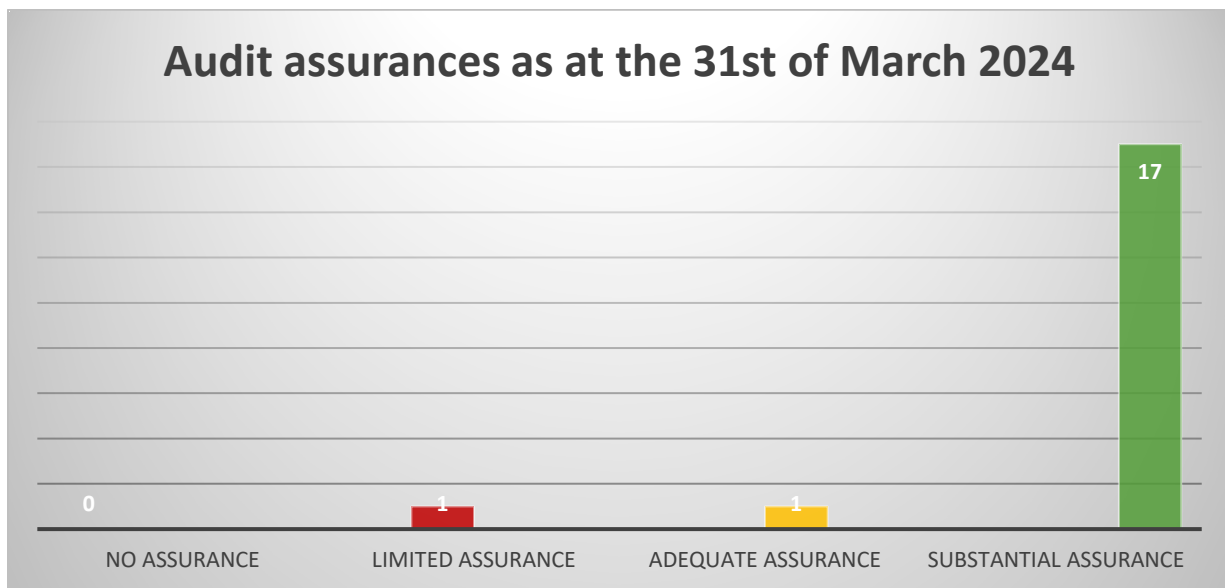
21) **Outcome: Substantial Assurance**

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Internal Audit 2023-24

8. Assurance review

During the audit cycle for the 2023-24 financial year, to the 31st of March 2024, we have undertaken 391 separate audit tests, providing nineteen separate assurances in the fifteen areas of review which correspond to the Internal Control objectives contained within the AGAR Annual Internal Audit Report as detailed in the chart below.



- Substantial:** A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified;
- Adequate:** Basically, a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified;
- Limited:** Significant weakness(es) have been identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk; or
- No:** Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

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9. Issues identified during the 2023-24 audit cycle

Year-end audit recommendations

Corporate governance

1) **Outcome: Limited Assurance**

Concluded our review of the minutes of Full Council and its Standing Committee meetings (excluding Planning) for the year ensuring that no issues affecting the Council's financial stability either in the short, medium or long term exist, noting that the Council's Minutes are of a consistently high quality. However, we note that Business which has already been Resolved, in relation to the Council's budget, has been revisited less than six months for the date of the original Resolution being made.

Recommendation

We take this opportunity to remind the Clerk/RFO and Members that once an item of business has been Resolved, then that item of business may not be revisited for a period of six months. The original Resolution may be Rescinded, but again, may not be re-tabled for a period of six months.

Internal Control Objective 'A'

3) The Council maintained a bank account with Santander Bank which was utilised to retain Local Neighbourhood Development Funds. This account is in the process of being closed. The residual funds transferred to the Barclays Bank primary current account; **Outcome: Adequate Assurance**

Recommendation

We take this opportunity to remind the Clerk/RFO and Members that with the Closure of the Council's Santander account, and the transfer of the funds deposited there to the Council's Barclays Bank facility, there is an increased risk to the security of those due to the FSCS compensation limit being set at £85K per institution and not £85K per account within an institution.

We encourage the Clerk/RFO and Members to keep this in mind when considering the Council's investment options.

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Interim audit recommendation

Internal control objective 'D'

6) **Outcome: Adequate Assurance**

The Clerk/RFO must ensure that the process of Authorisation to make expenditure for and on behalf of the Council is clearly defined as discreet and differentiated from the process of Approval of the Schedule of Payments, and the online Payments Authorisation process, as recorded in the Council's Minutes.

Recommendation

This matter was discussed, in detail, with the Clerk/RFO during the Interim Audit. Any Resolution made by Members at a meeting of the Full Council, or its Standing Committees, to expend Council Funds is distinct from the Payments Approval and online Authorisation process. The Clerk/RFO must ensure that these three processes are treated discretely and separately in future.

Year-end finding

Recommendation implemented in full by the 31st of March 2024. **Outcome: Substantial Assurance**

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10. Confirmation of independence and Quality Assurance

During the 2023-24 financial year to the 31st of March 2024, we confirm that the internal auditor has acted independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation, based upon the internal audit programme, and has obtained appropriate evidence including copies of prime documentation to support our opinions, from Lambourn Parish Council.

The interim internal audit to the 30th of September 2023 conducted onsite on the 25th of October 2023 and the year-end audit to the 31st of March 2024 conducted onsite on the 2nd of May 2024, have both been carried out in accordance with Lambourn Parish Council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in the main body of this report, which correspond to the Internal Control Objectives table contained within the AGAR Annual Internal Audit Report for the financial year.

11. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery and quality:

Annual performance indicators			
Aspect of service	Interim 2023-24 (Actual %)		YE 2023-24 (Actual %)
Internal Audit plan delivered	69%		100%
Positive customer responses to quality appraisal questionnaire			
Compliant with the Public Sector Internal Audit Standards	Yes		Yes

12. Acknowledgements

We take this opportunity to acknowledge the significant business process improvement work which has been undertaken by the Clerk/RFO, the Chairwoman and Members of the Council which we consider to be exemplary.

Of particular note, and worthy of commendation, is the Microsoft SharePoint based near real-time finance dashboard and document management system which the Clerk/RFO has designed which gives Members the current status of the Council's performance on a number of key metrics at a glance.

Internal Audit 2023-24

This tool is, I would suggest invaluable to the Council, and once fully developed, has the potential to be offered as an application extension to any council which uses Microsoft Office 365, SharePoint and the Rialtas Accounting software. The Clerk/RFO should be congratulated for his sterling efforts in this regard.

Once again, I would like to thank the Chairwoman for her continued efforts in moving Lambourn Parish Council forward towards best practice standards, both in terms of Governance and the services which are offered to its electorate. We also wish to thank the Clerk/RFO for his assistance and hospitality during both the interim and the year-end audits.

We now ask that the Clerk/RFO and Members consider the content of this report and acknowledge, in due course, that the report has been formally reviewed and adopted by the Council.



Claire Lingard
Head of WGW online internal audit practice