

Internal Audit Report – Overthorpe Parish Council 2024/25

This report has been prepared for the sole use of Overthorpe Parish Council. To the fullest extent permitted by law, no responsibility or liability is accepted by me to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

Background

Statute requires all parish councils to arrange for an independent internal audit examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to my review undertaken in April 2025.

Internal Audit Approach

The objective of this review is to provide an appropriate level of assurance to the Council on their governance, procedures and financial control for the financial year, generating full and supportable assurances in the Annual Governance and Accountability Return (AGAR) for 2024-25.

In undertaking my review for the year, I have taken into consideration the materiality of transactions and their susceptibility to potential misrecording in the year-end Statement of Accounts /AGAR. My programme is intended to provide assurance that the Council has appropriate financial systems in place that are operated correctly. The programme is also designed to facilitate my completion of the Internal Audit Report as part of the Council's AGAR process, which requires independent assurance over a number of internal control objectives.

Below is a description of the work carried out:-

Examination of Accounting Records and Review of Expenditure

Checking receipts and payments to bank statements and to a sample of invoices and receipts. Ensuring that all payments were properly authorised. Checking VAT reclaim to itemised VAT on cashbook. Agreeing opening and closing bank balances to bank statements, bank reconciliation and AGAR statement. Ensuring all accounting entries were consistently recorded on a cash accounting basis. Ensuring all monies due from precept and grants were correctly received and entered.

Assessment and Management of Risk

A risk assessment has been carried out and was approved by the Council on 14th May 2024.

I have reviewed the Council's insurance cover, provided by Zurich Municipal. Public Liability cover is set at £12 Million, with Employers Liability at £10 Million and Fidelity Guarantee at £250,000.

Budget for FY 24/25 and 25/26

The budgetary process was examined, evidence of monitoring actual expenditure against budget for FY 24/25 was reviewed, together with the basis for assumptions made where any

substantial increases or decreases have been made in setting the budget for FY 25/26. The basis for setting the precept for 25/26 was also considered against reserves required.

Review of Income

All receipts were traced from Bank Statements to financial records to ensure proper and timely receipt.

Review of Staff Salaries

The Parish clerk is paid monthly through a scheme registered with HMRC and all proper deductions have been made.

Fixed Asset Register

The register was checked to the previous year and any additions, revaluations or write offs reconciled to the current year.

AGAR and Exercise of Public Rights

Confirmation that all required information has been published on the village website with respect to exemption criteria, exercise of public rights and publication rights of the 2023/24 AGAR.

Conclusions

From the areas examined above I am satisfied with the operation of the Council and that each of the internal control objectives have been met. I have therefore signed off the Internal Audit Certificate at Page 4 of the AGAR.



Nicholas Chadwick

15/04/2025
Date