

Annual Internal Audit Report 2023/24

ELMESTHORPE PARISH COUNCIL

www.elmesthorpeparishcouncil.online

During the financial year ended 31 March 2024, this authority's internal auditor acting 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 and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, 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.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
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. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			✓
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

04/06/2024

Name of person who carried out the internal audit

DAVID PRESTON

Signature of person who carried out the internal audit



Date

04/06/2024

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

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Elmesthorpe Parish Council

Section F – Petty Cash Payments

Elmesthorpe Parish Council does not use petty cash for any payments and therefore this is not covered.

Section K – Exemption from Limited Assurance Review

Elmesthorpe Parish Council had a limited assurance review of its 2022/23 AGAR and therefore this is not covered.

Section M – Correct Provision for the Exercise of Public Rights in relation to the 2022 – 23 AGAR

Elmesthorpe Parish Council did not provide correctly for the exercise of public rights because it did not approve sections 1 & 2 of the AGAR prior to publication of the Notice of Public Rights. In order to address this, the meeting to approve sections 1 & 2 of the AGAR 2023/24 has been scheduled for a date that allows for a second meeting to be convened prior to the deadline for the publication of the Notice of Public Rights, should there be any problem in holding the first meeting.

Section N – Compliance with the Requirements for the 2022/23 AGAR

Elmesthorpe Parish Council did not comply with the publication requirements for the 2022/23 AGAR in respect of the Notice of Public Rights (as set out in Section M above). It complied with the publication requirements for the Notice of Conclusion of Audit. In order to address this, the meeting to approve sections 1 & 2 of the AGAR 2023/24 has been scheduled for a date that allows for a second meeting to be convened prior to the deadline for the publication of the Notice of Public Rights, should there be any problem in holding the first meeting.

Signed 

Date 04/06/2024

Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

ELMESTHORPE PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

	Agreed		Yes* means that this authority,
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.		✓	has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.		✓	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:


06/06/2024

and recorded as minute reference:

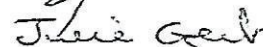
30/24-25

Signed by the Chair and Clerk of the meeting where approval was given:

Chair



Clerk



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Section 1 – Annual Governance Statement 2023/24

Explanation to the External Auditor of Response to Assertion 3

The Parish Council approved the final accounting statements section of the Annual Governance and Accountability Return after 30 June 2023. The late approval does not comply with the Accounts and Audit Regulations 2015.

Approval of the final accounting statements section of the Annual Governance and Accountability Return was delayed due to staff illness.

The Parish Council has addressed this matter by scheduling the meeting to approve the final accounting statements section of the Annual Governance and Accountability Return 2023/24 on 6 June 2024. This provides sufficient time for a further meeting to take place before 30 June 2024, should any issues arise in relation to the meeting on 6 June 2024.

Section 1 – Annual Governance Statement 2023/24

Explanation to the External Auditor of Response to Assertion 4

The announcement of the Period for Public Rights was before approval of Section 2 of the Annual Governance and Accountability Return, and therefore not in accordance with Regulation 12 – 15 of the Accounts and Audit Regulations 2015.

Approval of Section 2 of the Annual Governance and Accountability Return was delayed due to staff illness.

The Parish Council has addressed this matter by scheduling the meeting to approve Section 2 of the Annual Governance and Accountability Return 2023/24 on 6 June 2024. This provides sufficient time for a further meeting to take place before 30 June 2024, should any issues arise in relation to the meeting on 6 June 2024.

The announcement of the Period of Public Rights for 2023/24 will be made after 6 June 2024 and before 28 June 2024.

Section 2 – Accounting Statements 2023/24 for

ELMESTHORPE PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	39,769	31,827	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	11,250	11,810	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	21,985	22,490	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	22,463	21,243	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	18,714	17,152	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	31,827	27,732	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	31,827	27,732	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	268,548	268,548	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Julie Kent

Date

05/06/2024

I confirm that these Accounting Statements were approved by this authority on this date:

06/06/2024

as recorded in minute reference:

31/24-25

Signed by Chair of the meeting where the Accounting Statements were approved

[Signature] - Chair

Section 3 - External Auditor Report and Certificate 2023/24

In respect of **Elmesthorpe Parish Council**

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

2 External auditor limited assurance opinion 2023/24

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

The Council left a significant time period between approval of the Annual Governance and Accountability Return and the commencement of the Public Rights Period. The Audit and Accounts Regulations 2015, section 12 (3)(a) and proper practices require that following approval of the Return, the Public Rights Period should commence as soon as is reasonably practicable when taking into consideration the mandatory inclusion of the first 10 working days of July.

The Internal Auditor has answered 'not covered' to control objective L on the Annual Internal Audit Report. In future, we would anticipate the review of the Internal Auditor to cover this control objective.

3 External auditor certificate 2023/24

We certify/ ~~do not certify~~* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

*We do not certify completion because:

External Auditor Name



External Auditor Signature

A handwritten signature in black ink that reads "Moore".

Date

06/09/2024

Smaller Authority Name: ELMESTHORPE PARISH COUNCIL

NOTICE OF CONCLUSION OF ANNUAL AUDIT

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024
Accounts and Audit Regulations 2015**

- 1 The audit of accounts for (Smaller Authority Name)Elmesthorpe Parish Council for the year ended 31 March 2024 has been completed and the accounts have been published.**

- 2 The Annual Return is available for inspection by any local government elector in the area of Elmesthorpe Parish Council on application to**
 - (a) (Name of Clerk)
Mrs J Gent**

 - (b) (Address of Clerk)
Elmesthorpe Parish Council
The Village Hall, Wilkinson Lane, Elmesthorpe, Leicestershire, LE9 7SP**

 - (c) (Telephone/email, and hours and arrangements to view)
Phone: 07528 077240 Email: clerk.elmesthorpe@hotmail.com
Viewing at Village Hall by prior arrangement.**

- 3 Copies will be provided to any person on payment of £1.50 for each copy of the Annual Return**

Announcement made by (Name of Clerk)

Mrs J Gent

Date of Announcement

30 September 2024