

SDH Accountancy & Audit Services

Principal Sue Hackett

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Date 15 April 2024

Dear Maggie,

RE: AYMESTREY FINAL INTERNAL AUDIT REPORT 23/24

I trust you and the council are well, the audit has been carried out remotely using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and best practice as documented in the Practitioners' Guide '23. I have completed the remaining key internal control objectives which support the Annual Internal Audit Report within the 23/24 AGAR positively. The following supports my conclusions:

Key Internal Control Objective	Findings	Satisfied?
A. Appropriate accounting records have been properly kept throughout the financial year.	The primary accounts record examined 1-4-23 to 31-3-24; (i.e. the excel ledger) was found to be accurate and complete, providing a full audit trail to source documentation and minutes. The opening balance was agreed to the previous year's AGAR closing bank balance. Detailed testing of a sample of transactions per the accounts confirmed its accuracy. (See B & E & I below.)	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	Total Payments £20,543 A sample of 7 payments were agreed between the accounts and Council minutes approving payment. 4 of these payments were selected and agreed to evidence of online authorisation by two councillors per the council's internal control policy. A further sample of 7 payments were agreed between Council minutes and the accounts. The introduction of the Lloyds charge card with a documented limitation of use and expenditure was formally minuted and approved in June 2023. It appears to be working well. VAT was found to be appropriately accounted for within the accounts. Finance Regulations were adhered to as evidence was provided of quotes being sought for purchases satisfying best value.	Yes

C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	A framework of policies and procedures have been adopted by the Council and are readily available on the Council's website; these mitigate against significant risks to achieving its objectives. At the May 2023 meeting the Council's Risk Management Policy was reviewed and updated. And Standing Orders and Financial Regulations were readopted. Suitable arrangements are in place to protect Council assets via insurance and regular maintenance. The Fixed Asset Register contains reference to replacement values in line with the council's insurance policy and condition of assets. Visual inspections are carried out by councillors and the Clerk.	Yes
D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.	The Clerk/RFO presents a quarterly budget monitoring report to Council; as required by Financial Regulations; this includes a bank reconciliation and update of reserves. Budget monitoring was evident throughout the year. Budget Setting 2024/25 – A detailed Budget Monitoring & Forecast report was presented to Council at the November meeting; it was formulated by the RFO and Finance Working Party in October'23. Council resolved at its December 2023 meeting that a Precept of £13,400 be requested; given that additional receipts of £600 were expected. Routine budgeted expenditure of £14,000 was approved; with any deficit arising being met from reserves. Reserves – The yearend balance £15,178, was considered reasonable.	Yes
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	Total Receipts £19,600 Precept receipts of £11,400 were agreed to supporting remittances. £5,418 was received in grants from Hereford Council, towards Lengthmans projects, 2 of the grant receipts were agreed to source documentation (value £2,421). £1,060 in various public donations were received towards an AED project at Yatton. The Clerk/RFO has confirmed that no cash was involved 7 of the cheque deposits were traced to deposit slips and the ledger (£120). A VAT refund receipt £829 relating to 22/23 was agreed to the claim and previous year's accounts. The objective was met.	Yes
F. Petty Cash has been properly accounted for	None held as per the Clerk/RFO and accounts.	Yes
G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.	All pay calculations are processed via an external payroll service. A sample were independently checked by the Finance Working Group. Period 9 and 10 have been checked by the Auditor and found to be accurate and in agreement with Council decisions and National Pay Scales. Period 9 included an authorised back dated NJC pay award. Tax and NI deductions have been appropriately deducted.	Yes

H. Asset and investment registers were accurate and properly maintained.	The Asset Register as at 31/3/24 reports assets valued at £9,518 for AGAR purposes. In year additions and disposals (Net value £1,575) have been accurately accounted for. No investment register is required.	Yes
I Periodic Bank Reconciliations were properly carried out during the year	Evidence was sighted in the minutes of monthly bank balances being reported to Council by the Clerk/RFO. Quarterly bank reconciliations are prepared and reported to the Council by the RFO. An internal control exists whereby a non-signatory councillor checks the bank reconciliations and report to Council. Evidence of this was sighted at Q1,Q2 and Q3. The year end bank reconciliation was re-performed by the auditor and found to be correct.	Yes
J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Quarterly accounting statements examined and prepared during the year were prepared on a receipts and payments basis. The AGAR Accounting Statement for the year 23/24 has been prepared accurately on a receipts and payments basis, agrees with the Receipts & Payments Ledger; the bank reconciliation and fixed asset register. Sample testing (see above) supports that the audit trail to underlying records is adequate.	Yes
K - N Please refer to the earlier interim audit report for details.		Yes
O. Trust funds – the Council has met its responsibilities as a trustee.	The Council is not the sole trustee of such a fund; as confirmed by the Clerk/RFO.	N/A

The Council is not due a limited assurance audit by external audit in 23/24 as total receipts and payments have not exceeded £25,000.

Please feel free to share this with the Council, and feel free to contact me if you have any issues with the facts reported.

Best Wishes

Sue Hackett