

LIGHTATOUCH

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10 May 2023

**Boyatt Wood Parish Council
St Peters Church
Shakespeare Road
Eastleigh
SO50 4FZ**

Dear Marcia

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Governance and Accountability Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- 'Accountability and Governance for Smaller Authorities – A Practitioners' Guide (England)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

An introductory visit was carried out on the 24 March 2023 to agree the process of the internal audit review for 2022/2023. Details were obtained of the status of the Parish Council and information of the arrangements that remain in place with Eastleigh Borough Council. It was agreed that the End of Year Internal Audit review would be carried out on Wednesday 10 May 2023. In agreement with the Parish Clerk this was to be carried out remotely.

Boyatt Wood Parish Council is a new parish council for 2022/2023. The permanent Parish Clerk commenced employment in November 2022 after the initial inception was supported by a Transitional Clerk from the beginning of 2021/2022. Back-up information was provided in advance of the visit by the Parish Council Accountants J Humphrey's Associates for the period April 2022 to March 2023. The Parish Clerk also provided further information to support the current governance and financial management position of the Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

A series of independent audit tests were undertaken from the information made available to ascertain the efficiency and effectiveness of these internal controls.

A full check was also carried out on completion of the Accountability and Governance Annual Return (AGAR) for 2022/2023 to ensure that the Parish Council adhere to the requirements for the External Auditor.

As part of this Internal Audit Review, we checked that:

Bank Reconciliations

- bank reconciliations for the bank account have been carried and reported to the Parish Council for the period September 2022 – 31 March 2023, and totals agreed to those shown in the Cash Book.

Income and Expenditure

- test checks on the Cash Book totals for September 2022 – March 2023 were checked to payment information to ensure that the details were correctly recorded, and VAT elements extracted correctly. *(Audit Note: Each Invoice should indicate with the words “checked and agreed” to confirm that an authenticity check has been carried out to confirm the amount to be paid and that goods and services have been delivered) It has been noted that the invoices for the Parish Council are retained electronically.*
- Other than an opening deposit of £500 on 1 September 2022 and the sum of £57,856.07 was transferred by Eastleigh Borough Council on 03 October 2022 to the Parish Council bank account. No other Income is recorded in the bank accounts of the Parish Council for 2022/2023. These entries are shown in the Cash Book.

VAT

- No VAT reimbursement claims have yet been submitted to HMRC for 2022/2023. The Parish Clerk will be submitting a VAT reimbursement claim for the 2022/2023 and the first quarter of 2023/2024 in July 2023. *(Audit Note: We recommend that reimbursement claim forms should be submitted to HMRC on a quarterly basis).*

Payroll Information

- Deductions from Payroll information during the 2022/2023 financial year were checked to ensure that suitable arrangements are in place to deduct PAYE and National Insurance from gross salary from the Clerks during the financial year.
- It is noted that payments to HMRC for PAYE deductions are made monthly.

Asset Register

- Limited items have been purchased in 2022/2023 although the Parish Council have recorded the Asset transfers from Eastleigh Borough Council of allotments at St Catherines Road, *(Audit Note: We have noted that the management of these allotments will continue to be carried out by Eastleigh Borough Council in 2023/2024)*
- We have noted that that the Asset Register shows the items that are currently used by the Parish Clerk for home working and the land that is currently owned by the Parish Council for the asset transfer of £1.00 from Eastleigh Borough Council.

Risk Assessment 2022/2023

- We have noted that the risks of the Parish Council were reviewed and approved in the financial year 2022/2023 at their February 2023 meeting to ensure compliance with the Accounts and Audit Regulations 2015 requirements.

Insurance

- the Insurance Cover for the Parish Council is with Zurich Insurance. The current level of cover is sufficient for the Parish Council in 2022/2023.

Parish Council Minutes

- we checked the details of Parish Council Minutes from May 2022 to March 2023 to record points of note for any financial approvals or decisions that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

End of Year Procedures 2022/2023

A full check was carried out on the End of Year documentation provided to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2021/22 and 2022/2023 shown on Section 2 of the AGAR as required by the External Auditor.

The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

This letter report should be circulated to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be Minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor