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18 December, 2024

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

Dear Marica

**First Interim Internal Audit Report**

**Boyatt Wood Parish Council – April 2024– November 2024**

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 to be 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 2023-24 Annual Governance and Accountability Return (AGAR).

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

- ‘Governance and Accountability for Local Councils – A Practitioners’ Guide (England)’ 2024
- The Accounts and Audit (England) Regulations 2015 (as amended).

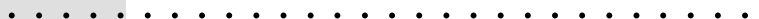
**Background**

Boyatt Wood Parish Council had income and expenditure in 2022-2023 of between £50,000 and £100,000 and is subject to review by the External Auditor, BDO. The Annual Governance and Accountability Return 2023-2024 has been submitted to the External Auditor. The Parish Council had one “other matters” from the External Auditor which states:

**Other Matter**

The AGAR was not accurately completed before the submission for review. Question 11a was left blank in the Accounting Statements. The AGAR was returned for amendment and has been corrected.

**(Audit Note: These matters have now been resolved before the submission of the Annual Governance and Accountability Return for 2024-2025).**



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The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on RBS Alpha Software

The first interim internal audit visit was agreed with the Parish Clerk to be carried out on Friday 13 December 2024. A close of audit meeting was held on the same day to complete the internal audit review.

The Parish Council continue to use the RBS Alpha Software package. It remains fit for purpose for the Parish Council to maintain their financial management information and provides detailed financial reports to aid their decision making. The Parish Clerk provided back-up information from RBS Alpha Software in advance of the visit for the period April 2024 to November 2024 to support the current governance and financial management position of the Council.

This review continues to check the internal control systems from the internal audit work done in 2023-2024 and focusses on checking and validating internal control systems in use at the Parish Council including transactional elements of the financial accounts.

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

We also discussed with the Parish Clerk the asset transfers from Eastleigh Borough Council which will include the ownership of the Allotments. A fee structure is in place and the Parish Clerk has issued sales invoices to collect appropriate fees agreed by the Parish Council for 2023-2024.

We are pleased that the financial health of Parish Council is being checked as the RFO has considered both its current reserves and cash holding position whilst preparing the draft budget for 2025-2026.

This includes careful consideration that the Chancellor has increased the Employers NI rate from 13.8% to 15% from April 2025. The Council should note this includes a reduction in the per employer threshold at which employers pay national insurance to £5000 so this will have an impact of budget setting and potential Precept calculations.

#### **Internal audit checks**

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures, and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at this review.

During this review we checked a sample of records and tested the following:

- Minutes of Council and Committee Meetings
- Policies and Procedures
- Bank and cash.
- Investments
- Budgetary Management
- Income and Expenditure
- VAT claims
- Financial Risk Assessment
- Transparency of the Council website

## **Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Council continues to maintain its books and records on RBS Alpha Software.
- Staff remain aware of the requirements of GDPR.
- The Council is registered with the ICO.
- Details of total payments authorised at meetings are recorded in the Minutes.
- All income records are appropriate and recorded correctly.
- VAT reimbursement claims are now sent to HMRC on a regular basis.
- The Insurance cover is appropriate for the size of the Parish Council.
- All expenditure items could be traced and are recorded correctly in the financial ledger.
- All records continue to be up to date and easy to follow.
- The Council take an active scrutiny role.
- The budgeting process is detailed and monitored.
- Bank reconciliations are carried out and were accurate.
- The Council remain compliant with the requirements of the Transparency Code 2015
- Minutes are signed by the Chairman as evidence of decisions taken by the Council.

### **Recommendations**

- There are no formal recommendations made from this interim internal audit review.

### **Other matters to be brought to the Council's attention**

- Earmarked Reserves have been checked by the Parish Clerk as part of budget setting for 2025-2026 so that action can be taken to decide what level of General and Earmarked Reserves need to be held as part of the future planning for projects in the future.
- We are pleased to report that the Parish Clerk continues to update the Asset Register to record the value of new purchases. This will ensure that the totals reflected in the End of Year figures for Box 9 on Section 2 Accounting Statements are accurate for reporting to the External Auditor. The Asset Register should be reviewed and approved by the full Parish Council before the 31 March 2025.
- The Council have provided evidence of the posting date for the Exercise of Public Rights in 2024 and will be able to tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2024-2025 to comply with the requirements of the Accounts and Audit Regulations 2015. We will also be able to tick "Yes" to Control Objective M on the Annual Internal Audit Report 2024-2025.

- We note that a risk assessment will need to be approved by the full Parish Council in the current financial year before 31 March 2025. Once this is approved will be satisfied that the Council can tick “Yes” to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2024-2025 to comply with the requirements for the External Auditor. We will then tick “Yes” to Control Objective C on the Annual Internal Audit Report 2024-2025.
- The Parish Council will need to ensure its website provider is aware for the changes to adhere to the requirements set out in the website accessibility rules. The Parish Council website should now meet the new WCAG 2.2 AA standard for website accessibility. **(Audit Note: Details of the requirements have been sent to the Parish Clerk who will confirm this with the website provider).**
- The External Auditor has indicated as part of their intermediate audit review for 2023-2024 that it is best practice that an Authority’s should review and approve the following in each financial year:
  - the appointment or continuing appointment of the Internal Auditor.
  - that the Internal Auditor is independent of the Council.
  - the effectiveness of the Internal Audit.

***(Audit Note: We recommend that to continue to meet these best practice requirements the Parish Council should consider approving and recording these details in the Minutes of the full Parish Council in each financial year***

**We also remind the Parish Council that:**

- CiL or S106 monies not used in the financial year should be recorded in Earmarked Reserves.
- the Insurance renewal details should be reviewed and recorded in your minutes of the Council in each financial year, even if you are locked in a three-year agreement.

**Conclusion**

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Boyatt Wood Parish Council except where we have made recommendations in this report.

**Next visit**

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The next internal audit visit has been arranged for **Friday 23 May 2025**.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash.
- Investments
- Income and expenditure
- VAT claims
- 2025-2026 budget requirements
- Financial Risk Assessment
- Assets Register
- Payroll Information.
- Transparency Code 2015
- End of Year Procedures are in place.

**Next Steps**

This report should be noted and circulated to the next meeting of the Parish Council.

Tim Light FMAAT  
Internal auditor