

Grove Parish Council
Financial Year 2024-25



Visit 1 Internal Audit Observations

Audit date: 31 January 2025

B *This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Is the tender threshold set at £25,000 consistent with the Public Contract Regulations and NALC Model Financial Regulations?	No	<i>The Tender threshold set in Financial Regulations is £60,000. The value stated in Standing Order 18 is £25,000.</i>	The Council to review the tender level set in its Financial Regulations and Standing Orders and ensure that they are the same.	Medium	This will be discussed and considered at Full Council on 8 April 2025. The Clerks recommendation will be to amend Standing Orders to reflect the same amount as the Financial Regulations of £60,000
2	Large value payments (over £2,000/ £5,000 / £10,000) can be traced to original supporting document and have been properly authorised.	Yes	<i>The Council makes payments to 'Letcombe Brook'. It is understood that this is a long standing arrangement. The nature of the payments that it is Grant, however the payment does not follow the normal Grant application and approval process.</i>	The Council to review how Grants paid to 'Letcombe Brook' are considered and approved and whether 'Letcombe Brook' should be required to submit a formal grant application.	Medium	The Parish Council has made an annual 'contribution' to the Letcombe Brook Project either directly or via the District Council for (at least) the last 20 years. The Council will consider whether this is a 'Grant or a Contribution' at its next meeting to be held on 8 April 2025

C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Minutes reviewed and no 'unusual activity' identified (interim - give date of last Minutes reviewed)	No	<p><i>It was noted that Council meetings have, on occasions included 'Confidential' items. The Minutes of the 'Confidential' part of the meeting are taken and are subsequently signed, however these Minutes are not published.</i></p> <p><i>Under S228 of the Local Govt Act 1972 the Minutes of all meeting must be made available, if requested, to a local elector, and that failure to provide this is a offence punishable by a fine.</i></p> <p><i>It is also not clear that the Council has made reference to statutory guidance, including Schedule 12A of the Local Government Act 1972, when resolving to discuss an item in confidential session.</i></p>	<p>The Council should note that Minutes of Town and Parish Councils are public documents and Minutes of such meetings are required to be published.</p> <p>The Council should ensure that all Minutes of meeting are properly published. The Council should consider the public nature of Minutes when Minutes are drafted.</p> <p>The Council should also take note of the statutory guidance in place in respect of Confidential Sessions and ensure that these are complied with.</p>	High	<p>Whilst members of the public have a legal right to attend meetings of a parish council and its committees , except where they are excluded (by a resolution of the meeting) for specific items which need to be discussed in confidence, for example, staffing matters. tenders for contracts.</p> <p>As Parish Clerk I am certain that all of the 'Confidential' meetings held by Grove Parish Council meet this criteria.</p> <p>I will of course be mindful of section 228 of the Local Government Act 1972 when drafting minutes and reports of future meetings.</p>
2	The Council, meeting as a whole, has reviewed the effectiveness of its internal control system as required by Regulation 6 of the Accounts and Audit Regulations 2015	Yes	<p><i>The Council has reviewed Internal Controls, but this is Minuted as a review of Risk.</i></p>	<p>The Council to note that there is a specific requirement set out in the Accounts and Audit Regulations, Regulation 6, which requires a Council to "conduct a review of the effectiveness of the system of internal control "</p> <p>The Council to ensure that the review of the effectiveness of internal controls is properly recorded in the Minutes of the relevant meeting.</p>	High	<p>This has been noted by the Clerk.</p>

3	The value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	No	<i>The value of the Councils Fidelity Insurance, at £300,000, does not cover the value of the Councils cash & bank holdings</i>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	The Clerk will arrange for its Fidelity cover to be increased the next time the Insurance cover is reviewed.
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E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Are there are controls in place over who can initiate a change of investment? Are these controls being complied with?	Yes	<i>The Finance Committee has been discussing with a financial advisor the investment of Council funds. From a review of Minutes of the Finance Committee it is not clear that the advisor meeting with the Council is familiar with the legal regime, and particular requirements of Parish Councils in relation to investments.</i> <i>It is unclear what training has been provided to members of the Finance Committee in respect of investments and whether Councillors are aware of the legal and accounting implications of investments made by local Councils.</i>	The Council to consider whether, prior to making any decision in relation to investments, it would be appropriate for Councillors to receive training on the specific legal and accounting requirements in respect of local council investments.	High	The Parish Council currently has two members who have dealt with and have managed investments before. The Council has asked its proposed investment provider if they 'offer' training for members and officers.
2	Has the Investment Strategy been published on the Councils website?	No	<i>The Council has not published its Investment Strategy on the Councils website as required by the Statutory Guidance on Local Council Investments.</i>	Council to ensure that its Investment Strategy is published on its website in accordance with statutory guidance.	Medium	The Council Treasury and Investment Policy had previously been agreed as at May 2024 but had not been uploaded to the Council's website. This has now been uploaded.

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.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has complied with the publication requirements of the ICO Model Publication Scheme for Parish Councils. (This includes a requirement to publish the Annual Internal Audit Report and all expenditure over £100).	No	<i>It is not clear whether the Council has adopted the ICO Model Publication Scheme, the latest version of which is Version 3.</i>	<p>The Council should note the legal requirements to publish information in accordance with the ICO Model Publication Scheme (version 3).</p> <p>Although this is not a requirement under the Accounts and Audit Regulations 2015, the Council should note that it is a statutory requirement under the Freedom of Information Act.</p>	Advisory	<p>It was explained to the Internal Auditor that the parish Council has recently moved from one website provider to another and the new website is still not complete.</p> <p>However, this document has now been uploaded onto the Councils website under the Menu item 'Governance and Policies'</p>

M *The authority, during the previous year (2023/24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Council Minutes record the dates set for the Exercise of Public Rights	No	<i>Council Minutes record approval of the dates but do not record the dates set for the Exercise of Public Rights.</i>	In future the Council to ensure that the date set for the Period of Exercise of Public Rights is recorded in Council Minutes as this is acceptable as audit evidence that the Council has complied with its statutory obligations if the Notice should not be retained on the Council website.	High	This has been noted by the Clerk.