INTERNAL AUDIT REPORT
DONNINGTON AND MUXTON PARISH COUNCIL

The internal audit of Donnington and Muxton Parish Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Review of year end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

The interim internal audit provides evidence to support the annual internal audit conclusion in the AGAR Annual Return for larger councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

J D H Business Services Ltd

Action Plan

<table>
<tr><th></th><th>ISSUE</th><th>RECOMMENDATION</th><th>FOLLOW UP</th></tr>
<tr><td colspan="4">2024/25 Year End Internal Audit</td></tr>
<tr><td>1</td><td>Recurring Issue:

We could not identify the following information published on the council website as prescribed in the Transparency Code:

PUBLICATION 32. Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:

- reference number
- title of agreement
- LA department responsible
- description of the goods and/or services being provided
- supplier name and details
- sum to be paid over the length of the contract or the estimated annual spending or budget for the contract</td><td>The council should ensure the website complies fully with the publication requirements of the Local Authority Transparency Code 2015.</td><td></td></tr>
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	ISSUE	RECOMMENDATION	FOLLOW UP
	- *Value Added Tax that cannot be recovered* - *start, end and review dates* - *whether or not the contract was the result of an invitation to quote or a published invitation to tender, and* - *whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number*		

	ISSUE	RECOMMENDATION	FOLLOW UP
2024/25 Interim Internal Audit			
1	The Accounts and Audit Regulations require the council to conduct a financial year review of the effectiveness of the system of internal control. Although there are internal controls in place as evidenced by the Financial Regulations, the council has not conducted an annual review of the effectiveness of internal controls and documented this in the minutes.	*The council should conduct an annual review of the effectiveness of the system of internal controls and document this review in the minutes.*	
2	Two items were recorded as duplicate payments in the Scribe ledger as follows : • 30/04/2024, £144, SLCC enterprises • 30/04/2024, £330, Search Point UK	*The council must implement improvements in internal controls to ensure duplicate payments are not processed and paid.*	
3	There was no dual authorisation by councillors of payments made in range (voucher codes) 263-275. This payment list is dated 22nd August 2024.	*All payments must be authorised by two nominated councillors. The August payroll schedule should be reviewed by councillors and initialled and dated.*	

	ISSUE	RECOMMENDATION	FOLLOW UP
4	We could not identify direct procurement and authorisation decision(s) in the minutes for the following payment: TN 258, £7266, Morelock Signs Ltd. We are informed this item was exempt from standard procurement requirements as all SID the equipment needed to be compatible. There are exemptions available in the adopted Financial Regulations for proprietary items or extensions of a contract, for example: *11.1.a.vi.) for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price;* *11.1.a.iii.) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;* *11.1.a.iv.) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council.*	*The Council should state in the minutes which exemption from the Financial Regulations has been relied upon when a contract is authorised but has not been subject to the standard procurement requirements in the Financial Regulations.*	