



Tracey Lovell
Parish Clerk
Braunton Parish Council
Chaloners Road
Braunton
EX33 2ES

26th April 2025

Dear Tracey,

Year End Internal Audit

An audit was carried out by Kevin Rose on Thursday 24 April 2025. This was the Year End audit following on from the interim audit carried out on 3 October 2024.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 208 items. A total of 111 items were tested during this audit in addition to the 97 items tested and checked during the interim audit process. All items on the checklists were tested during the year.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Petty cash (Box F)
- Exemption from External Audit (Box K)
- the Transparency Code (for Smaller Authorities) (Box L)
- Trust Funds (Box O)

(Please refer to the explanation of my 'Not Covered' responses on Page 3)

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Payroll (Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)

Summary of tests undertaken this audit

Positive response	54
Negative response	6

Not Applicable to your Council	51
Total tests carried out	<u>111</u>

Of the 60 applicable items tested a Positive response was obtained in respect of 54 tests. There were 6 Negative responses identified and 9 Observations were made, details of which are set out in the attached Year End Internal Audit Observations.

Summary of tests undertaken for the financial year (including interim audit work)

Positive response	136
Negative response	13
Not Applicable to your Council	59
Total tests carried out	<u>208</u>
Tests not carried out	Nil

I am pleased to advise that no 'Non-Compliances' were identified that would give rise to a negative response on the statutory Annual Internal Audit Report.

Based on the audit testing carried out I consider that the internal controls in place at the Council were effective for the 2024-25 financial year.

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,



Kevin Rose ACMA
Director

Internal Audit 'Not Covered' Responses

Internal Control Objective	Reason for Not Covered Response
F: Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash. (Note: Where cash is held as a cash float, solely for the purpose of providing change, this is covered in our response to Internal Control Objective I)
K: If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered"	The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from a limited assurance review for the relevant financial year.
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.	At present no specific guidance has been provided to Internal Auditors as to what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.
O: (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.



The Clerk
Braunton Parish Council
Chalonsers Road
Braunton
Devon
EX33 2ES

29 August 2024

Internal Audit Engagement Letter

Roles and responsibilities

IAC Audit & Consultancy Limited will conduct the internal audit work for your Council in relation to the 2025 Annual Return and such subsequent Annual Returns as required by the Council.

The work undertaken will specifically relate to the Annual Internal Audit Report, and aiding the Council to fulfil its obligations under Section 1 of the Annual Return. In conducting this work we will comply with the requirements of

- 'The Practitioners' Guide (England)'
- The Accounts and Audit (England) Regulations 2015 (as amended)
- Such other guidance and best practice that may be prevailing from time to time.

Additional internal audit work in relation to the Council's obligations under the regulations may also be undertaken by separate agreement.

Audit planning

We will plan our audit with due care to ensure that the appropriate level of resources are made available to conduct our work, and that the council is able to meet its statutory reporting obligations.

Reporting

We will prepare a summary report on areas of non-compliance where such non-compliances are limited in nature and result in an unqualified internal audit report.

Where it may be necessary to qualify an internal audit report we shall prepare a detailed report on those areas of noncompliance which have led to a qualification.

Where necessary we will attend council meetings, or other meetings with officers or councillors to discuss our audit report and findings. We reserve the right to raise an additional fee in relation to attendance at such meetings, but will agree to this fee, if any, in advance of such a meeting.

Independence and competence

We will ensure that staff conducting and supervising audits are appropriately trained and qualified for the level of work undertaken.

We will ensure that we maintain independence from the day to day activities of the council. We will not provide additional consultancy or advisory services to the council which may compromise our audit independence.

Access to information, members and officers

In undertaking our work, we will be provided such information as we may reasonably require to complete our audit, subject to reasonable notice. Where we have requested but been unable to obtain such information we will notify the council in writing of the information that we have not received.

The records made available to us will be sufficiently well ordered and maintained as to permit a timely and effective audit.

In order to complete our work we will be provided with access to such records, officers or members as may be appropriate and necessary.

Remuneration

The fee for our work will be in accordance with the fee quote previously provided. The fee includes all travel and out of pocket expenses. If additional audit time is required then this would be discussed and invoiced as per our proposal letter.

PLEASE RETAIN A COPY OF THIS LETTER FOR YOUR RECORDS

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director

Braunton Parish Council

Internal Audit Summary for the year 2024-25

(shaded Internal Control Objectives are not applicable to your Council)

Audit 1 Date: 03/10/2024
Audit 2 Date:
Year End Audit Date 24/04/2025



Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
A	Appropriate accounting records have been properly kept throughout the financial year.	1	0	1	0	0	0	6	0	0	0
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	2	0	0	2	0	0	36	0	6	0
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	2	0	1	0	0	1	12	2	0	0
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	2	0	0	2	0	0	13	2	2	0
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	7	0	3	4	0	0	17	6	3	0
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	N/A
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	1	0	0	1	0	0	16	1	8	0
H	Asset and investments registers were complete and accurate and properly maintained.	2	0	1	1	0	0	6	1	4	0
I	Periodic bank account reconciliations were properly carried out during the year.	2	0	2	0	0	0	12	0	4	0
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	0	0	0	0	0	0	6	0	5	0
K	If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A
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.	N/A	N/A	N/A	N/A	N/A	1	N/A	1	7	N/A

2024-25 Internal Audit Braunton Parish Council

Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
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).	0	0	0	0	0	0	5	0	0	0
N	The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	0	0	0	0	0	0	7	0	1	0
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A
Total		19	0	8	10	0	2	136	13	59	0

Braunton Parish Council
Financial Year 2024-25

Year End Internal Audit Observations



IAC Audit and Consultancy Ltd

Audit date: 24 April 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	Has the Council formally Minuted confirmation of bank signatory arrangements?	Yes	The Council Minuted approval of additions and removals of bank signatories at a meeting held on 7th November 2023. It is not clear when the Council last formally reviewed and approved the full listing of bank signatories and the bank mandate.	The Council to formally review and confirm a listing of the approved bank signatories and the mandate to apply, for example 'any two to sign'. The Council to obtain confirmation of the bank signatories and mandate recorded at the bank.	Medium	

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	Major insured assets have been subject to a recent valuation.	No	The Council has a number of high value properties. It is not known when they were last subject to a valuation for insurance purposes.	The Council, as a priority, to review the valuation of its properties for insurance purposes.	High	

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	Is income due on investments subject to regular check and verification? (Is investment performance regularly reported to Council?)	No	Income due on investments is not subject to a process of formal, regular, review.	The Council should put in place arrangements for the regular review and reporting of investment performance. This review should be recorded in Minutes of the appropriate meeting.	High	

2	Has the Investment Strategy been subject to annual review?	No	<i>The Council did not review its investment strategy during the 2024/25 financial year.</i>	Council to ensure that its Investment Strategy is subject to annual review (this could be carried out as part of the budget process)	High	
3	There is evidence of tracking of amounts due and follow up of any delayed or delinquent amounts	No	<i>It was noted that the Council has a significant number of debtor accounts overdue.</i>	<p>The Council to note the number and value of debtor accounts overdue.</p> <p>The Council to consider whether it's debt recovery process is adequate to ensure the prompt collection of any overdue debts.</p>	Medium	

G *Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has in a place a process for the review and approval of overtime or Time In Lieu.	No	<i>The Council does not have in place a policy to limit the amount of TOIL that can be accumulated.</i>	The Council to consider putting in place a formal policy to limit the amount of TOIL a member of staff may accrue.	Medium	

H *Asset and investments registers were complete and accurate and properly maintained.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Assets purchased / disposed of have been added to / removed from asset register	Yes	<i>The practice at the Council is for the asset register to be amended to add any new items and deduct any items disposed of. A schedule showing the change in the current asset value from the prior year is not prepared. It is unclear how Councillors will be aware of which items have been added to, or removed from, the register during the year.</i>	The Council to prepare each year a schedule detailing the assets which have been added to, or removed from, the register during the year. This schedule should be subject to review and approval by Council at the same time as the asset register.	High	

2	Continuing existence of assets is checked on a regular basis (when was last check?)	No	<i>Continuing existence of assets is not checked on a regular basis.</i>	The Council should put in place a process for the regular review and verification of its assets. Assets of a high value or which may be particularly vulnerable should be subject to verification at more frequent intervals.	Medium	
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I *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	There are no unexplained balancing entries in any reconciliation (Year End)	Yes	<i>One old item of £58 still outstanding on Car Park Income bank account</i>	The Council to take action to resolve this old unreconciled amount on the bank reconciliation.	High	

Annual Internal Audit Report 2024/25

Braunton Parish Council

www.brauntonparishcouncil.gov.uk

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Yes		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>			N/A
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.			N/A
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	Yes		
N. The authority has complied with the publication requirements for 2023/24 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	Yes		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			N/A

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

05/05/2024 03/10/2024

Name of person who carried out the internal audit

Kevin Rose ACMA- IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date

26/04/2025

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).**