

Keith Robertson Internal Audit Services

DITCHLING PARISH COUNCIL

Internal Audit Report May 2025

Introduction

In accordance with the Internal Audit Plan, Procedures have been tested. The tests were to the standards and practices defined in the Governance and Accountability for Smaller Authorities published for the 2024-25 year and meet the needs of the Council. I confirm that I do not have any role within the Council and have carried out my duties without bias.

The audit was completed on 15TH May 2025 at the Council's office with the Clerk/RFO. No issues were found that require attention within the scope of the audit.. The report below highlights the findings of the audit with reference to the Internal Control Objectives and Governance Statements in the Annual Return

Update from the interim Internal Audit October 2024

B.3 Noted that the Council now has two persons on line banking authorisation.

B.4 Noted that in the sample of invoices checked the invoices were initialised by Councilors.

Internal Audit report 2024-25

A. Appropriate Accounting Records.

- A.1 The AGAR prior year brought forward data is correct and agrees to the financial records.
- A.2 The AGAR reports produced for 2024-25 agree to the financial records.
- A.3 The financial records are held using the RBS financial system. The financial ledgers are kept up to date.
- A.4 The data held for each of the transactions sampled in this audit was correct; the cash book and ledger is arithmetically correct and regularly balanced.
- A.5 Bank reconciliations are properly carried out throughout the year.

B. Financial Regulations, documentation, and approvals.

- B.1 This section of the audit was tested at the interim audit in Oct 2024 and found to be satisfactory.
- B.2 Noted that the Council now has a two-person on-line banking system to enter and authorise payments.
- B.3 Noted that invoices for payment are now checked to the schedule of payments by a Councillor.

C. Risk

- C.1 This section of the audit was tested at the interim audit in Oct 2024 and found to be satisfactory.

D. Budgeting & Precept.

- D.1 Budgetary Control – The annual budget was prepared in support of the precept for 2025-26 with a detailed review of receipts and payments Ytd, Forecast and Budget. This was approved by the Council and recorded in the minutes.
- D.2 Reserves were considered when setting the budget. The Council does have high levels of general reserves (above governance guidelines). The Clerk outlined plans to both use and vire some of the reserves in 2025-26. A clear numeric grid of reserve balances and movements for the forecast and budget would further improve controls.
- D.3 Reporting. Actual expenditure is reported and is compared to the budget using the RBS reports and Excel reports.

E. Receipts

- E.1 This section of the audit was tested at the interim audit in Oct 2024 and found to be satisfactory.
- F. Petty Cash** – Not used by this Council
- G. Employee Costs**
- G.1 This section of the audit was tested at the interim audit in Oct 2024 and found to be satisfactory.
- H. Assets.**
- H.1 Assets – An Asset register is maintained and was reviewed in 2024-25. The cost values logged in the register agree with the AGAR.
- H.2 Purchased assets in the year are clearly stated.
- H.3 Asset values stated on the register align to the insurance policy schedules.
- I. Bank Reconciliations.**
- I.1 This section of the audit was tested at the interim audit in Oct 2024 and found to be satisfactory.
- I.2 The bank reconciliations as at 31-3-25 were tested and were correct.
- J. Accounting Statements.**
- J.1 The accounts are maintained on a Receipts and Payments basis and agree to the financial reports and the Annual Return.
- J.2 There is an audit trail through the financial records with all items sampled being properly reported and approved.
- K. Limited Assurance Review Exemption.** Not applicable
- L. Transparency code.** This council complied with the publication requirements.
- M. Exercise of Public Rights.** The notification of public rights for 2023-24 was published in and was compliant with the regulations.
- N. AGAR Publication requirements.** The Council correctly published the required documents for 2023-24.
- O. Trustees.** The Council is not a sole trustee.

Keith Robertson FCMA
Internal Auditor
16th May 2025