

# Moderamen Auditing

## Internal Audit Report 2023/24



### Introduction:

I have examined the accounts, minutes and supporting paperwork for Southwick Parish Council year ending 31<sup>st</sup> March 2024.

The Council’s internal controls, governance, and accounting are to a good standard, folders and the paperwork are easy to navigate.

I have been the Southwick Parish Council Internal Auditor since 2020 and have seen ongoing small improvements each year since then. There will always be areas where uplift can be applied and internal audit is about ongoing improvement, not getting to a level and stopping, it is pleasing to still be on that journey.

The website however is still the same, it’s appalling, clunky, links not working and missing most of the information that it should have on it. I note from the minutes that a new one has been commissioned and its build is under way.

The asset register is another troubled area, but I have been assured that action to update it is being taken.

Generally, the Council is operating to a good standard and has achieved another clean Internal Audit, but there is room for improvement.

AGAR Box:	Yes / No:	
A	YES	Comments:
B	YES	Comments:
C	YES	Comments:
D	YES	Comments:
		<p>The Council is holding a high number of reserves. These are earmarked out for future projects. Theas earmarked amounts should be kept under constant review to ensure appropriateness, what are these projects precisely? Have they been costed? When are they likely to come to fruition?</p> <p>The Council grew the reserves again this year by almost £5,000, the Council should be careful that it is not just stockpiling public funds with no tangible plan for expenditure.</p>

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E	YES	Comments:
F	N/A	Comments:
		The Council does not operate a petty cash system.
G	YES	Comments:
		Within this year the Council have started to use an external payroll provider, this gives greater assurance that the correct tax code is being used and the appropriate deductions are being taken.
H	NO	Comments:
		<p>The asset register has been reported to the Council as being a substandard document for the last two audits. The Council is responsible for almost £500,000 of public assets, an uplift in how the assets are recorded is required.</p> <p><b>Original report to the Council in 2022:</b></p> <p><b>Assets Register:</b></p> <p>This seems to be valuing items at current replacement cost (insurance vale) rather than purchase price. Improvement to the overall register could be made with better descriptions, locations, purchase price and insurance vale being separated. The assets that the council don't own could be noted elsewhere but should be removed from the same page. Register should be on the website.</p> <p><b>Recommendation 1</b></p> <ul style="list-style-type: none"> <li>• Assets are given as comprehensive description as possible.</li> <li>• The location of all assets is recorded.</li> <li>• The month and year of purchase is recorded.</li> <li>• The purchase price ex VAT is recorded.</li> <li>• A column for the insurance value is added, this needs to be the reinstatement value (this may require a professional opinion in the case of the Old School Building)</li> <li>• Once complete, check that the current insurance values are sufficient and reflected in the insurance policy.</li> </ul>
I	YES	Comments:
		<p>The bank reconciliations are being produced and there is evidence they are being checked by a member of the council against the bank statements, both documents should be dated as well as signed.</p> <p style="text-align: center;">-----</p> <p>From the minutes there seems to a problem with the Clerk not always receiving the bank statements in time to be able to produce a bank rec for the meetings. This would be resolved by</p>

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		the Council having online banking as recommended already, then the statements could be printed off.
J	YES	Comments:
K	N/A	Comments:
		The Council had an External Audit
L	NO	Comments:
		The website ( <a href="http://www.southwickwilts.co.uk">www.southwickwilts.co.uk</a> ) is dreadful and has very little information on it. At one point I couldn't access the website for a whole morning, then when I could some links were not working. It is noted that the Council has commissioned a new website, but at the time of audit it is a fail for this test.
M	NO	Comments:
		No accessible on website. The period of rights not recorded in the minutes as it should be.
N	NO	Comments:
		Not able to access the information on the website.
O	N/A	Comments:

### Further comments and recommendations:

#### Website:

Unfortunately, at the time of audit the Council was between websites, I have no doubt that once the new website is up and running and has been correctly populated there will be no problem with the Council passing tests L,M,N

#### Recommendation 2

##### Online Banking:

The council should move to online banking and make all payments exclusively by BACS. This is now the recommended way that local authorities should make payments as it gives full traceability.

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**IAF Member**

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**16/05/2024 & 17/05/2024**