

Aldborough & Thurgarton Parish Council

Internal Audit Report

For Aldborough & Thurgarton Parish Council

Financial Year 2023/ 2024

and

**Prepared by
Maureen Anderson-Dungar
17 June 2024**

Actions for your Council are now:

1. Discuss this report with your Council and take any appropriate action. This should be minuted.

I have completed an internal audit of the accounts for Burgh & Tuttington Parish Council for the year ending 31 March 2024

My findings are detailed below using the tests provided in the **Governance and Accountability (England) 2018 and subsequent updates**

I would like to thank the Clerk for providing me with the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	November 2020
	Date Financial Regulations last reviewed	2019
	Has a Responsible finance officer been appointed with specific duties?	Yes, the Clerk is the RF0
	Have items or services above the de minimus amount been competitively purchased?	N/A
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes, invoices presented to each meeting on schedule and reported in Minutes.
	Have legal powers been identified for purchases?	Not specifically.
	Has VAT on payments been identified, recorded, and reclaimed?	Identified in accounts, no evidence of claim for previous year.
	Is s137 expenditure separately recorded and within statutory limits?	Separately recorded, within limits.
	Are S137 payments commensurate?	See above

Internal control	Test	Observations
	Have S137 payments been approved and included in the minutes as such?	Approved but not specifically recorded as such.
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Risk Assessment reviewed January 2020.
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Section within Risk Assessment.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes, considered by Council and approve for both the year under review and 2024/25.
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Payments for authorization are presented to each Council meeting.
	Are there any significant unexplained variances from budget?	None
Income controls	Is income properly recorded and promptly banked?	Income recorded; most is via BACS
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	The Council does not hold cash
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	The Council does not operate a petty cash system.
	Is petty cash expenditure reported to each council meeting?	Not applicable, see above.

Internal control	Test	Observations
	Is petty cash reimbursement carried out regularly?	Not applicable, see above.
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	The Clerk is the only employee and does have a Contract of Employment and job description.
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage / Minimum Wage?	Salary paid on agreed NALC/SLCC rates
	Are other payments to employees reasonable and approved by the council?	Expenses documented and approved by Council
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Assets listed in risk management scheme
	Where appropriate, are these inspected annually?	Yes
	Are the assets and Investments registers up to date?	Yes
	Do asset insurance valuations agree with those in the asset register?	Insurance reviewed annually
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Bank reconciliations carried out and reported to Council
	Is a bank reconciliation carried out regularly and in a timely fashion?	Regular reconciliations throughout the year
	Are there any unexplained balancing entries in any reconciliation?	None
	Is the value of investments held summarised on the reconciliation?	Yes
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Receipts & Payments
	Do accounts agree with the cashbook?	Yes

Internal control	Test	Observations
	Has a year end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes, invoices annotated with date, cheque number/BACS/DD as appropriate
	Where appropriate, have debtors and creditors been properly recorded?	Not applicable
	Is the Council adhering to the Transparency Code? (only relevant for councils with turnover of under £25,000) See Supplementary Page 1	Yes

Procedural	Have minutes been signed by the Chairman?	Yes
	Has the Chairman initialled each page of the Minutes Book?	Yes
	Has the Chairman signed the original year end bank statements?	To be signed when AGAR documents presented for approval
	Has the Chairman signed the year end bank reconciliation?	To be signed at meeting that agrees the AGAR
	Is eligibility for the General Power of Competence properly evidenced?	Not applicable
	Have points raised on the last Internal Audit report been considered by council and actioned?	Last year's report was not available for this year's audit.

Summary of my recommendations:

The year under review has been one of change for the Council; following the resignation of the Clerk after just over a year's service, Wendy Murphy was engaged as Locum Clerk, with the appointment confirmed in August last year.

For the 2024/25 year, priorities are as follows:

- Review Standing Orders and Financial Regulations as a priority, particularly in the light of the updated Financial Regulations recently issued.
- Review all policies, set renewal dates and review schedule
- Prepare bio-diversity statement and policy in accordance with the latest Environmental legislation (Environmental Act 2021)
- Go back over VAT records to ensure that the Council is able to reclaim all VAT

M E Anderson-Dunlop
Signed

17-06-2024
Date