Weston Longville Parish Council

Internal Audit Report
Financial Year 2022/23

Prepared by Sonya Blythe
30 April 2023

I have completed an internal audit of the accounts for Weston Longville Parish Council for the year ending March 2023.

My findings are detailed below using the tests provided in the Governance and Accountability (England) guidance.

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	2021 – old version
	Date Financial Regulations last reviewed	2021
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – invoices identified on cashbook and in minutes, and tracked through bank accounts
	Has VAT on payments been identified, recorded and reclaimed?	No claim made, but amounts recorded in cashbook
	Is s137 expenditure separately recorded and within statutory limits?	N/A
	Have S137 payments been approved and included in the minutes as such?	N/A
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No… agreement in minutes to support church structure though
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Last reviewed Feb 2022. RA notes asset checks will be carried out annually be an appointed Councillor
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	No separate internal control document, financial regs used

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Budget approved Nov 21 for 22/23
	Has the precept been calculated from the budget and been approved?	Yes (budget setting document seen) Amount of precept not minuted
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	The regular spend against budget report that Council used to receive has not been minuted in 22/23
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Cashbook £7328 Remittance £7328
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes, contract seen
	Do salaries paid agree with those approved by the council?	Increment and backpay applied in November
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes, expense claims seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, HMRC record accounts for tax and NI, payments made to HMRC throughout year

Internal control	Test	Observations
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – May 22 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes, recorded in minutes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, each meeting
	Are there any unexplained balancing entries in any reconciliation?	No
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes, R&P
	Do accounts agree with the cash book?	Bank accounts £42182.16 (Solar statement dated Feb) - £48.10 uncashed = £42133.76 Cashbook £42133.76
	Has a year-end bank reconciliation been undertaken?	Yes £42,133.76
	Is there an audit trail from underlying financial records to the accounts?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes, May 2022
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes, included in minutes
	Electors' rights advertised on website?	Yes

Internal control	Test	Observations
	Councillors’ responsibilities detailed on website?	Yes
	Last financial year’s AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Allotment income not recorded in minutes (to date)
	Have fees for the allotments been reviewed and agreed by Council?	Yes, Nov 22 minutes

Summary:

Thank you to Dawn for providing information and answering questions so promptly.

- I have checked through your accounts and confirmed them against income and expenditure receipts, as well as against payments in your cashbook. Bank reconciliations are regularly carried out for the accounts.

- I have confirmed that your Financial Regulations are up to date.

- I have noted that your VAT hasn’t been claimed within the past year but is accounted for appropriately on the spreadsheet

- I have verified that your insurance is adequate

- I confirm that your payroll management meets requirements

- I have reviewed your budget setting process

- I have reviewed the AGAR against your year-end bank reconciliations and your accounts

Recommendations / items to note:

1. NALC template standing orders were updated in 2020 and include new amount for public contracts. These sections should be updated when you next review your standing orders.

2. Although regular budget monitoring is carried out, this has not been minuted in 22/23. It would be worthwhile including this in your minutes again, so that it is clear to your auditor that Council have had regular sight of the accounts.

3. For clarity to parishioners, when setting the budget you should record the amount of the precept and the Band D cost within your minutes.

4. Regarding the church donation for new toilets. Even with GPoC parish council's donations to churches should be restricted to grounds maintenance only as I understand it, and then only as long as the grounds are open for all. If this goes ahead I have assumed it will be paid from your charity accounts rather than precept, but I would take advice on the legality of it if you haven't.

All in all I have no concerns to raise and as such have signed the internal audit section of the AGAR.

Sonya

Sonya Blythe
Internal auditor