**Bintree Parish Council**

Internal Audit Report

Financial Year 2023-24

Prepared by Clare Morton

17 May 2024

I have completed an internal audit of the accounts for Bintree Parish Council for the year ending March 2024.

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

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| **Internal control** | **Test** | **Observations** |
| Proper bookkeeping | Is the cashbook maintained and up to date? | Yes |
| Is the cashbook arithmetically correct? | Yes, totals bank accounts – |
| Is the cashbook regularly balanced? | Accounts updates given at each meeting |
| Standing Orders,  Financial Regulations and payment controls | Has the council formally adopted Standing Orders and Financial Regulations? | Yes |
| Date Standing Orders last reviewed | Present on website but undated. |
| Date Financial Regulations last reviewed | June 2017 |
| Has a Responsible finance officer been appointed with specific duties? | Yes – Parish Clerk is RFO |
| Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | Yes – majority of payments have accompanying invoice and are minutes |
| Has VAT on payments been identified, recorded and reclaimed? | Yes – last claim Mar 24 |
| Is s137 expenditure separately recorded and within statutory limits? | no |
| Have S137 payments been approved and included in the minutes as such? | no |
| 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? | Yes risk register updated Mae 24, and minutes confirm asset inspection has also taken place. |
| Is insurance cover appropriate and adequate? | Schedule not seen however insurance is in place. |
| Are internal financial controls documented and regularly reviewed? | Evidence of regular reconciliation of expenditure with bank statements |

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| **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? | Yes- January minutes |
| 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? | Yes – budget monitoring report to each meeting |
| 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? | Yes |
| Are security controls over cash and nearcash adequate and effective? | Yes |
| 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 |
| Do salaries paid agree with those approved by the council? | Yes |
| Are salaries above the National Living Wage/Minimum Wage? | Yes |
| Are other payments to employees reasonable and approved by the council? | Yes – expense invoices seen |
| Have PAYE/NIC been properly operated by the council as an employer? | Yes – payslips provided |

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| **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? | Updated Mar 24 |
| Do asset insurance valuations agree with those in the asset register? | Not known |
| Bank  reconciliation | Is there a bank reconciliation for each account and is this reported to council? | Yes |
| Is a bank reconciliation carried out regularly and in a timely fashion? | Yes |
| 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 |
| Do accounts agree with the cash book? | Yes |
| Has a year-end bank reconciliation been undertaken? | Yes |
| Is there an audit trail from underlying financial records to the accounts? | Yes – majority of invoices present and included in expenditure spreadsheet |
| Procedural | Is eligibility for the General Power of Competence properly evidenced? | yes |
| Have points raised on the last Internal Audit report been considered by council and actioned? | N/A |
| 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 |
| Electors’ rights advertised on website? | Yes |
| Councillors’ responsibilities detailed on website? | Yes |
| **Internal control** | **Test** | **Observations** |
|  | 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 – land published |
| Allotments only only | Has a list of allotment holders with amounts paid to Council been submitted? | N/A |
| Have fees for the allotments been reviewed and agreed by Council? | N/A |

**Summary of my observations / recommendations:**

New clerk took over part way through the year and has indicated that governance documentation will be reviewed.

Minutes stated that clerk’s salary was agreed but no hard copy schedule was available as required by section 4.4 of the Financial Regulations.

Salary and expenses from previous clerk Megan Bozsonyik was not supported by paperwork.

Insurance documentation was not supplied nor invoice present.

On the summary of receipts and payments sheet, the total of the income has been misrecorded as £6550.00 rather than the actual £6650.00 although the correct figure was used for the calculations.

Internal Auditor

Clare Morton 17/05/2024