

Repps with Bastwick Parish Council

Internal Audit Report
Financial Year 2021/22

Prepared by Sonya Blythe
16 April 2022

I have completed an internal audit of the accounts for Repps with Bastwick Parish Council for the year ending 2022.

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- accounts book supplied
	Is the cashbook arithmetically correct?	Yes – tallies with bank statements
	Is the cashbook regularly balanced?	Yes- pages regularly balanced
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	May 2019
	Date Financial Regulations last reviewed	May 2019
	Has a Responsible finance officer been appointed with specific duties?	Yes- Parish Clerk
	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 – clear path between invoices, cashbook and signed minutes
	Has VAT on payments been identified, recorded and reclaimed?	Yes – claim made and received April 21
	Is s137 expenditure separately recorded and within statutory limits?	Yes – separate line in accounts
Have S137 payments been approved and included in the minutes as such?	Payments all approved in minutes but not separately identified in minutes as S137	
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?	Last published report 2019
	Is insurance cover appropriate and adequate?	Yes

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Available on website – last updated November 2020
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – December 21 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 reports supplied to Council monthly
	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 near-cash 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 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 receipts provided
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – payslips supplied
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes – supplied with cashbook

Internal control	Test	Observations
	Are the assets and Investments registers up to date? When were these last reviewed?	Updated 31/3/22
	Do asset insurance valuations agree with those in the asset register?	Yes – certificate supplied
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes- attached to minutes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Monthly
	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 – income and expenditure
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes – matches bank accounts
	Is there an audit trail from underlying financial records to the accounts?	Yes – invoices, minutes and cashbook all tally
Procedural	Is eligibility for the General Power of Competence properly evidenced?	N/a
	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?	Included within minutes + separate document in AGAR section of website
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes

Internal control	Test	Observations
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes – available on AGAR section
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	Yes
	Have fees for the allotments been reviewed and agreed by Council?	No income made. Fees charged to cover rent the PC pay for the land.

Summary of my recommendations:

Thank you to Claudia for providing all of the documentation to carry out the audit.

I have checked through your account book and confirmed it against income and expenditure receipts, as well as against payments per your minutes. I have noted that your VAT has been claimed within the past year. I have verified that your insurance is adequate and that your payroll meets all requirements.

Your reporting meets Transparency Code requirements.

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

One note that doesn't affect the outcome of the AGAR:

- S137 payments should be clearly recorded within the minutes as S137, to ensure full transparency when using this power.

Sonya Blythe
Internal auditor