Trowse Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
2 May 2024

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

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	September 22, per minutes
	Date Financial Regulations last reviewed	March 23, per minutes
	Has a Responsible finance officer been appointed with specific duties?	Yes, Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, evidenced from invoice, to minutes to bank statements
	Has VAT on payments been identified, recorded and reclaimed?	Yes, separate column in cashbook, reclaim received December 23
	Is s137 expenditure separately recorded and within statutory limits?	No column in cashbook *see note
	Have S137 payments been approved and included in the minutes as such?	Unclear – see above and note
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?	April 23 *see note
	Is insurance cover appropriate and adequate?	Yes, includes liability and fidelity cover
	Are internal financial controls documented and regularly reviewed?	Yes – March 23 and April 24 (not in 2324)

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?	2324 – approved in December 22 minutes 2425 – approved in December 23 minutes
	Has the precept been calculated from the budget and been approved?	2324 – approved as £52,250. 2425 – approved as £57,500
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Reported to Finance Committee June and September minutes, plus as part of budget setting
	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?	Statement £52250 Remittance £ - not received, but bank statements agree to last years precept minuted figure
	Are security controls over cash and near-cash adequate and effective?	Yes – all income BACS or cheque
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, Clerk -seen previously, Groundsman – checked 2324
	Do salaries paid agree with those approved by the council?	Yes, payslips seen
	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

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, P60 for both staff seen
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?	Not in 2324 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes, schedule seen
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?	Reported at each meeting
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	No investments, but separate bank accounts all listed
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?	AGAR £180,984 Statements £180,984.27
	Has a year-end bank reconciliation been undertaken?	Yes, £180,984.27
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook matched to AGAR
	Where appropriate, have debtors and creditors been properly recorded?	N/A
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?	1.Record Spend against Budget reports in minutes – three times in 2425 minutes 2.Ensure exercise of public rights is published within correct timescale - yes
Transparency: For smaller councils	Minutes for whole year on website?	Yes

Internal control	Test	Observations
with turnover under £25,000	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes, payments all listed with finance committee papers
	Electors’ rights advertised on website?	Yes
	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
Burial Authorities	Are fees levied in accordance with the Council’s approved scale of fees and charges?	Yes
	Have fees for the cemetery been reviewed and agreed by Council?	October 22 – part of management plan
	Have burial books been kept up to date and are they safely stored?	Stored in office
Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	Yes, included in cashbook
	Have fees for the allotments been reviewed and agreed by Council?	Reviewed October 23 by Open Space Committee under Allotment Management Plan item

Summary of report:

Thank you to Kate for providing all of the documentation required.

- 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 and Standing Orders are up to date.

- I have noted that your VAT has been claimed within the past year

- I have verified that your insurance is adequate

- I confirm that your payroll management meets requirements

- I have reviewed your budget setting process and noted that you provide Council with regular spend against budget information

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

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

Notes / recommendations for 24/25:

Email address – the JPAG Practitioners Guide states that "every authority should have an email account that belongs to the council and to which the council has access – this ideally would be a .gov.uk or .org.uk address or could be an address linked to the council website". As you are using an Outlook account this may be something that Council wishes to budget for this year.

One of the criteria of the internal audit and the governance statement are confirming that risk has been managed by Council each year. Your assessment was updated in April 23 but not recorded in the minutes as being approved by Council.

For your Annual Parish Council Meeting each May, the election of Chairman item must be taken as the first item of business, before apologies – this is covered in item 5e of Standing Orders.

S137 – your budget document / Scribe reporting does not have a S137 column. If a Council does not have the General Power of Competence then it should have a S137 column, even if the power is unused. I wasn't able to confirm whether the power has been used, or whether it is within limits, without this. You should be able to add all of your cost centre's (including S137) into Scribe, and then will be able to use this to produce regular spend against budget reports for Council.

Sonya

Sonya Blythe
Internal auditor