

Internal Audit Report

For

Southrepps Parish Council

Financial Year 2023-2024

Prepared by
R M Calvert
17 April 2024

I have completed an internal audit of the accounts for Southrepps Parish Council for the year ending 31 March 2024.

I would like to thank the Clerk/RFO for providing me with all 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	May 2021 for review in 2024
	Date Financial Regulations last reviewed	May 2021 for review in 2024
	Has a Responsible finance officer been appointed with specific duties?	Yes – see Financial Regulations
	Have items or services above the de minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes. For verification the acknowledgement made by the recipients of grants received from the Council should filed with the payment.
	Have legal powers been identified for purchases	
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is s137 expenditure separately recorded and within statutory limits?	NA
Risk management arrangements	Have S137 payments been approved and included in the minutes as such?	Council adopted the GoPC 17 May 2023 N/A
	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. 17 May 2023

Internal control	Test	Observations
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes Minute 6.2 - 7 th Dec 2022 Minute 10.5 1 st Nov 2023 for 2024-25
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Not seen
	Is actual expenditure against budget regularly reported to the council?	No
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	All income is recorded on the bank reconciliation at each meeting, noted, approved, and signed by the Chair
	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 all employees have contracts of employment with clear terms and conditions?	Not seen
	Do salaries paid agree with those approved by the council?	Salary does not appear to have been reviewed recently
	Are salaries above the National Living Wage/Minimum Wage?	NLW 2024 = £11.44 per hour Salary should be reviewed annually prior to setting the budget.
	Are other payments to employees reasonable and approved by the council?	Yes.
	Have PAYE/NIC been properly operated by the council as an employer?	Yes.

Internal control	Test	Observations
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes. Reviewed 17 th May 2023
	Where appropriate, are these inspected annually	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	17 May 2023. To be reviewed May 2024
	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. Signed by two Cllrs and filed with accounts at the year end
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes. Bank Statement and Reconciliation signed and filed.
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	No
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes. Receipts and Payments
	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
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Have the minutes been signed by the chairman	Originals not seen
	Has the chairman initialled each page of the Minutes book	Originals not seen.
	Has the chairman signed the year end bank reconciliation	Yes – May 2023
	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?	Report received and noted. May 2023

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000 <i>And best practice for those with a turnover of over £25,000</i>	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 on website?	Yes, in the minutes.
	Electors' rights advertised on website?	Yes, at appropriate time
	Councillors' responsibilities detailed on website?	All councillors and chair identified
	Last financial year's Annual Return on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No
Allotments	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?	Reviewed in May 2023
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A

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Signed

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Date