

Barton Bendish Parish Council

Internal Audit Report

For Barton Bendish Parish Council

Financial Year 2022/23

Prepared by Di Dann 21st February, 2023

I have completed an Mid Year internal audit of the accounts for Barton Bendish Parish Council for the year ending 31st March 2023. My findings are detailed below using the tests provided in the **Governance and Accountability (England) 2022**.

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	Jan 2022
	Date Financial Regulations last reviewed	Yes
	Has a Responsible finance officer been appointed with specific duties?	Yes
	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
	Has VAT on payments been identified, recorded and reclaimed?	Yes – see below
	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?	This should be done annually.

Internal control	Test	Observations
Budgetary controls	Is insurance cover appropriate and adequate?	Policy not seen
	Are internal financial controls documented and regularly reviewed?	Yes – IC Statement
	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – January 2023
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	No – see below
	Is actual expenditure against budget regularly reported to the council?	At Budget time
Income controls	Are there any significant unexplained variances from budget?	Budget 222/23 not seen
	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
Payroll controls	Are security controls over cash and near-cash adequate and effective?	N/A
	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
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes

Internal control	Test	Observations
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – see below
	Do asset insurance valuations agree with those in the asset register?	See below
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
	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
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes (rec'd 11 th April 2023)
	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	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?	Yes May 2022
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

Internal control	Test	Observations
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Reasons for Variations detailed	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Include Asset Register on the website
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a privacy notice and policy?	Not on website. These should be adopted and included on the website.

Summary of my recommendations (as at 21st February 2023)

VAT

Noted that there was an HMRC VAT claim for the financial year 2021/22. A claim will be due for 22/23.

Internal Control measures - Receipts and Payments, Bank Reconciliations, Budget Monitoring documents.

Financial Regulations states that receipts and payments must be reported within the minutes or included in the minutes as an annex. This was not done May 2022. Internal Controls should be detailed in the minutes under an item "Financial Matters"

Earmarked Reserves.

These will need to be identified at year end. Each Earmarked Reserve should detail funds at 1st April, ADD in any additional funds received during the year, LESS any funds spent during the year giving the balance at 31st March.

S137

Gift Voucher purchase May 2022 £25. Gifts to individuals are not permitted in law.

Governance

Risk Management Scheme - should be reviewed annually

FOI Publication Scheme – should be based on the current model document issued by the ICO and reviewed annually.

Budget - should show comparative years.

Asset Register - reviewed in July 2022.

The BT Phone Boxes have been given a value of £1 (the purchase cost) This should be revised to replacement cost. The Insurance Policy should be checked against the Asset Register to make sure that all assets are included and that the council is not “over insuring” with such things as gates and fences.