

Bunwell Parish Council

Internal Audit Report
Financial Year 2022/23

Prepared by Sonya Blythe
13 April 2023

I have completed an internal audit of the accounts for Bunwell Parish Council for the year ending March 2023.

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 – spreadsheet contains all transactions, asset list etc
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes, spreadsheet updated monthly
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	February 23, per minutes
	Date Financial Regulations last reviewed	February 23, per minutes (not the NALC standard ones)
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – trail from invoices to cashbook to meeting minutes to bank accounts.
	Has VAT on payments been identified, recorded and reclaimed?	Yes – Claim made July and received from HMRC August
	Is s137 expenditure separately recorded and within statutory limits?	Yes – separate column in cashbook
Have S137 payments been approved and included in the minutes as such?	Not used	
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- risks reviewed February 2023. Asset risks - Playground had annual ROSPA check in July. May minutes note play equipment will be inspected

Internal control	Test	Observations
		on a monthly basis by R. Hoolahan. April minutes report Cllr Chapman agreed to be responsible for checking the defibrillators
	Is insurance cover appropriate and adequate?	Yes, amounts covered adequate
	Are internal financial controls documented and regularly reviewed?	Financial Controls document February 23
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes, 5th January 2022 meeting. £14000 agreed.
	Has the precept been calculated from the budget and been approved?	Yes – calculations available in online budget document.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes – financial report prepared and circulated for 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?	£14000 on budget and precept form £14000 received in bank
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 - contract seen

Internal control	Test	Observations
	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 forms seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – deductions seen on payslip and payments made to HMRC by BACS
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?	Asset list dated 22/23
	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, included on cashbook
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, reported 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, R&P
	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 - trail from invoices to cashbook to meeting minutes to bank accounts *Note, no bank statement available from Barclays for 22/23 for the outstanding 10p

Internal control	Test	Observations
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?	<p>Standing Orders – updated</p> <p>Risk – ensure adequacy of arrangements. Yes. Risk register reviewed February 23.</p> <p>Barclays - close account with 10p in. No. Clerk has written to Barclays to request closure but they won't action it as no signatories remain.</p> <p>Underpayment of Clerk by 40p. Not paid.</p>
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 – included in minutes
	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)	Asset list published

Summary:

Thank you to Margaret for providing information and answering questions so promptly.

- 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

Recommendations / items to note:

My only note is around asset checks, other than playground and defibrillator, I couldn't see from the minutes that an annual check of your other assets had been carried out. It might be worth a Councillor carrying out an annual check and reporting back to Council to ensure items such as fences and lights are safe.

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

Sonya

Sonya Blythe
Internal auditor