

Field Dalling and Saxlingham Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
4 April 2024

I have completed an internal audit of the accounts for Field Dalling and Saxlingham 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, agrees to bank accounts
	Is the cashbook regularly balanced?	Yes – regular budget monitoring reported in minutes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	September 2023
	Date Financial Regulations last reviewed	April 2023
	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 – trail from invoices to cashbook to minutes
	Has VAT on payments been identified, recorded and reclaimed?	Yes, separate cashbook column for VAT recording. Claim received May 23 and March 24.
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook (power not used)
Risk management arrangements	Have S137 payments been approved and included in the minutes as such?	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?	Undated document on website, no annual assessment in minutes, but Financial Regs and Internal Controls up to date.
	Is insurance cover appropriate and adequate?	Yes - BHIB policy seen

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes, reviewed Sep 23
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes. 23/24 – minuted as £6,500; £3250 received April and September Yes. 24/25 – minuted as £10,794.53 and submission to NNDC seen
	Has the precept been calculated from the budget and been approved?	Yes, minutes as above
	Does the budget include an actual completed year?	Yes, three years
	Is actual expenditure against budget regularly reported to the council?	Yes – regular monitoring report in minutes
	Are there any significant unexplained variances from budget?	£900 additional admin costs – invoices seen.
Income controls	Is income properly recorded and promptly banked?	Yes – majority BACS, one credit slip
	Does the precept recorded agree to the Council Tax authority's notification?	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?	New Clerk from Feb 23 – contract seen
	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

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, tax on payslips and regular payments made to HMRC
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?	Yes, September 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, reported at each meeting to Council
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, for each meeting
	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
	Do accounts agree with the cash book?	Bank account £2272.84 £1973.08 AGAR £4246 Cashbook £4245.92
	Has a year-end bank reconciliation been undertaken?	Yes - £4245.92
	Is there an audit trail from underlying financial records to the accounts?	Yes
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?	No was ticked in 22/23 for section B- financial control. All complete for 23/24.
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

Internal control	Test	Observations
	Electors' rights advertised on website?	On website, dated 2 June 23
	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 register uploaded (no land owned, play area land rented)

Summary of my recommendations:

Thank you to Sarah 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 was pleased to see that Council increased their budget / precept for 24/25 to allow for proper reserves to be built, to maintain the equipment that you own.

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

Notes / recommendations for 24/25:

Email management – 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 a Gmail account this may be something that Council wishes to budget for this year.

Parish Council's are expected to carry out a risk assessment annually, covering financial risk and other risk. I have ticked this box as you considered risks as part of your Internal Controls review and insurance renewal, but a separate document should be considered and minuted by Council each year.

Sonya

Sonya Blythe
Internal auditor