

Internal Audit Report

For

Bacton and Edingthorpe Parish Council

Financial Year 2023-2024

Prepared by
R M Calvert
15 April 2024

I have completed an internal audit of the accounts for Bacton and Edingthorpe 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	November 2020 as amended and updated
	Date Financial Regulations last reviewed	November 2020 as amended and updated
	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 Some grants given have not acknowledged by recipients following a request for one.
	Have legal powers been identified for purchases	S137
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is s137 expenditure separately recorded and within statutory limits?	Yes.
	Have S137 payments been approved and included in the minutes as such?	Yes – Royal British Legion
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 May 2023 Draft ready for review in May 2024
	Is insurance cover appropriate and adequate?	Yes, reviewed and adjusted with insurance renewal

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes. Transfer to Unity Bank for ease of use with improved controls.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes.
	Has the precept been calculated from the budget and been approved?	Yes Precept approved following budgetary appraisal in November 2023
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes
	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?	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?	Seen previously
	Do salaries paid agree with those approved by the council?	Yes.
	Are salaries above the National Living Wage/Minimum Wage?	Yes. Salaries should be reviewed annually
	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
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Where appropriate, are these inspected annually	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes
	Do asset insurance valuations agree with those in the asset register?	Yes List to 31-03-24 has been reviewed to align with insurance valuations.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes. Circulated approved and signed at the meetings
	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?	Yes
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	To be presented at May meeting

Internal control	Test	Observations
	Is eligibility for the General Power of Competence properly evidenced?	Council uses S 137
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes.
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 on website?	Yes, included in the minutes.
	Electors' rights advertised on website?	Yes – at the appropriate time
	Councillors' responsibilities detailed on website?	Yes
	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?	Yes
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