

# **Brundall Parish Council**

Internal Audit Report  
Financial Year 2022/23

Prepared by Sonya Blythe  
8 June 2023

I have completed an internal audit of the accounts for Brundall 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 – Rialtas copies dated to 31 March
	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	April 22, per minutes, old contract amounts
	Date Financial Regulations last reviewed	April 22 per minutes
	Has a Responsible finance officer been appointed with specific duties?	Yes, RFO is separate post
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – invoices can be followed through cashbook and bank accounts
	Has VAT on payments been identified, recorded and reclaimed?	VAT claims made throughout year, and accounted for within accounts
	Is s137 expenditure separately recorded and within statutory limits?	N/A
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?	May 22 minutes RA confirms annual asset checks are completed by Council
	Is insurance cover appropriate and adequate?	Yes, BHIB policy seen
	Are internal financial controls documented and regularly reviewed?	May 22 minutes

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes, minuted December 21 for 22/23 year
	Has the precept been calculated from the budget and been approved?	Yes, approved as £137,750
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, recorded quarterly in minutes
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes – income on Rialtas and bank accounts agree
	Does the precept recorded agree to the Council Tax authority's notification?	Cashbook: £137,750 Remittance / bank account £137,750
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, seen previously
	Do salaries paid agree with those approved by the council?	Yes (payslips and cashbook agree)
	Are salaries above the National Living Wage/Minimum Wage?	Yes for both members of staff
	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, P60s seen, pension and HMRC deductions made from payslips. Regular HMRC payments made from HSBC account

Internal control	Test	Observations
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?	May 22 minutes, updated year-end 22/23
	Do asset insurance valuations agree with those in the asset register?	Yes, policy checked
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes, reported quarterly in minutes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Quarterly
	Are there any unexplained balancing entries in any reconciliation?	Not unexplained. Audit fees at 225% due to increase in accounts size
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?	AGAR £186,485 Bank accounts £186484.51
	Has a year-end bank reconciliation been undertaken?	Yes £186484.51
	Is there an audit trail from underlying financial records to the accounts?	Yes, bank payments supported by invoices and cashbook
Procedural	Is eligibility for the General Power of Competence properly evidenced?	May 2019 minutes
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised.
Transparency: For councils with turnover over £200,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £500 detailed on website?	Payments included within minutes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes

Internal control	Test	Observations
	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)	Yes
	Procurement card transactions detailed on website?	Yes
	Invitations to tender for goods or services detailed on website	Yes
	Contracts with a value of over £500 detailed on website	Yes
	Staffing chart on website	Yes
	Waste collection contracts on website	Yes
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes
	Have fees for the cemetery been reviewed and agreed by Council?	No (2021 fees on website)
	Have burial books been kept up to date and are they safely stored?	Spreadsheet held by Clerk
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	Yes, included in cashbook
	Have fees for the allotments been reviewed and agreed by Council?	Reviewed September 22

### Summary:

Thank you to Claudia for providing all of the documentation to carry out the audit.

- I have checked through your bank accounts and confirmed them against a large sample of income and expenditure receipts, as well as against payments per your minutes and your cashbook. Bank reconciliations are regularly carried out for the accounts.

- I have confirmed that your Financial Regulations 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 and pension management meet all requirements.
- I have reviewed your budget setting process and noted that you provide Council with regular spend against budget information.
- I note your reporting meets Transparency Code requirements
- I have checked that your assets are appropriately insured, and that your risk assessment includes detail of regular asset inspections
- I have reviewed the AGAR against your year-end bank reconciliations and your accounts
- I have checked that your ear-marked accounts seem sufficient and am pleased to see that a significant sum has been put into an asset management EMR this year

**Notes / Recommendations:**

Section 18 of your Standing Orders is out of date – the contract amounts in sections F and G have been updated on the NALC template version. These should be updated next time you review your SOs.

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