Brundall Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
12 May 2024

I have completed an internal audit of the accounts for Brundall 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
	Is the cashbook regularly balanced?	Monthly
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	August 23 minutes
	Date Financial Regulations last reviewed	May 23 minutes
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, evidenced from invoice to bank statements. Checked against minutes as much as possible, but payments are put into categories on minutes instead of individually listed. Matched to excel spreadsheet, signed off by Chairman at each meeting.
	Has VAT on payments been identified, recorded and reclaimed?	VAT accounted for in cashbook, two claims received in year Over deminimus level *see note
	Is s137 expenditure separately recorded and within statutory limits?	N/A (hold GPOC)
	Have S137 payments been approved and included in the minutes as such?	N/A
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 23 minutes

Internal control	Test	Observations
	Is insurance cover appropriate and adequate?	Employer and public liability, and fidelity cover in place
	Are internal financial controls documented and regularly reviewed?	May 23 minutes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2324 – approved December 22 minutes 2425 – approved December 23 minutes
	Has the precept been calculated from the budget and been approved?	2324 – Recorded as £149,880 2425 – Recorded as £162,620
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Quarterly reports minuted
	Are there any significant unexplained variances from budget?	Projects and sports hub budget lines – not unexplained, invoices seen
Income controls	Is income properly recorded and promptly banked?	Yes – income on spreadsheet and bank accounts agree
	Does the precept recorded agree to the Council Tax authority's notification?	Bank statement £149,880 Remittance £149,880
	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?	Yes, contracts for new staff seen
	Do salaries paid agree with those approved by the council?	Yes, payslips checked to bank statements

Internal control	Test	Observations
	Are salaries above the National Living Wage/Minimum Wage?	Yes National increment recorded in November minutes
	Are other payments to employees reasonable and approved by the council?	Yes, expenses seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, P60s seen, payments made to HMRC and Norfolk Pension fund
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?	Online register dated March 24 Approved in minutes May 23
	Do asset insurance valuations agree with those in the asset register?	Yes – new pavilion to be added once complete
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?	Reported each meeting
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	All accounts covered inc BDC deposit account
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes, I&E
	Do accounts agree with the cash book?	AGAR £95294 (box 8) Statements £95294.01
	Has a year-end bank reconciliation been undertaken?	Yes, £95294.01
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook checked to invoices
	Where appropriate, have debtors and creditors been properly recorded?	Yes, reconciliation between boxes 7 and 8 seen
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes, May 23 minutes

Internal control	Test	Observations
	Have points raised on the last Internal Audit report been considered by council and actioned?	Update section 18 of Standing Orders - yes
Transparency: For larger councils with turnover over £200,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	No (removed after meetings)
	Payments over £500 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	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
	Details of grants awarded available on website	Yes, in March 24 minutes
	Waste collection contracts on website	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes, invoices checked against fees on website

Internal control	Test	Observations
	Have fees for the cemetery been reviewed and agreed by Council?	2021 version on website. Being reviewed June 24
	Have burial books been kept up to date and are they safely stored?	Held by Clerk
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Included in cashbook
	Have fees for the allotments been reviewed and agreed by Council?	Not reviewed in 2324. Being reviewed June 24
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
Other	Is Council registered with the Information Commissioners Office?	Yes (payment March)
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes – dated 2020 on website
	Has the Council put in place Privacy Notices?	May 23 (dated 2020 on website)

Summary of report:

Thank you to Claudia for supplying all documentation 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

-I have checked that your risk management is adequate

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

Notes / recommendations for 24/25:

Your VAT reclaims have put you over the £7500 deminimus level that Council's can claim for business VAT in any financial year. I am not able to give expert VAT advice, but I assume professional advise has been taken in regard to this.

Sonya

Sonya Blythe
Internal auditor