Internal Audit Report

For

Antingham Parish Council

Financial Year 2021-2022

Prepared by

R M Calvert

18 April 2022

I have completed an internal audit of the accounts for Antingham Parish Council for the year ending 31 March 2022

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 | 2021 |
| Date Financial Regulations last reviewed | 2021 |
| Has a Responsible finance officer been appointed with specific duties? | Yes - Clerk is the RFO (contract of employment) |
| Have items or services above the de minimus amount been competitively purchased? | N/A |
| Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | Yes |
| Have legal powers been identified for purchases | Not applicable during the year under review |
| Has VAT on payments been identified, recorded and reclaimed? | Yes |
| Is s137 expenditure separately recorded and within statutory limits? | No S137 expenditure incurred |
| Have S137 payments been approved and included in the minutes as such? | Not applicable during the year under review |
| Risk management arrangements | Does a review of the minutes identify any unusual financial activity? | Nothing identified |
| Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme? | Risk Assessment and Risk Management reviewed May 2021 |
| Is insurance cover appropriate and adequate? | Yes |
| Are internal financial controls documented and regularly reviewed? | Yes |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | Yes  Nov 2021 Minute 8.1 |
| Has the precept been calculated from the budget and been approved? | Yes |
| 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? | N/A |
| Payroll controls | Do all employees have contracts of employment with clear terms and conditions? | Yes |
| Do salaries paid agree with those approved by the council? | Yes |
| Are salaries above the National Living Wage/Minimum Wage? | Yes but ….  Salary should be reviewed to reflect Clerk’s CILCA success, increasing demands on the post and rising inflation. Local Councils are finding it very difficult to fill vacancies where pay does not reflect the complexity and responsibility of the work involved. |
| 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 |
| Asset controls | Does the council maintain a register of all material assets owned or in its care? | Yes |
| Where appropriate, are these inspected annually | Inspection not recorded in the minutes |
| Are the assets and Investments registers up to date? When were these last reviewed? | Yes  To be updated May 2022 |
| Do asset insurance valuations agree with those in the asset register? |  |
| 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? | Yes |
| Are there any unexplained balancing entries in any reconciliation? | No |
| Is the value of investments held summarised on the 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? | 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 signed at the Annual Meeting 2022 |
| Is eligibility for the General Power of Competence properly evidenced? | To be considered |
| Have points raised on the last Internal Audit report been considered by council and actioned? | Comments were noted |
| 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 (in the minutes) |
| Electors’ rights advertised on website? | Yes |
| 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 Land or buildings .  Street furniture and SAM2 details to be reviewed with new insurance schedule |

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Signed Date