


ANNUAL INTERNAL AUDIT – Arthuret Parish Council Y/E 31.3.2024

SUBJECT	TEST	SATISFACTORY?	NOTES	REPLY
Standing Orders	1. Has the Council Committee formally adopted standing orders and financial regulations?	No	Minute 228 to review at a future meeting, no review seen post minute 228.	NOTED - SEE SEPARATE RESPONSE. ↓
	2. Have levels of delegation been correctly authorised?	Yes	To be reviewed due to change in regulations.	
	3. Have items or services above a de minimis amount been competitively purchased?	?	Quotes and tender information unavailable.	
Risk management arrangements	1. Do the minutes record the Council carrying out annual risk assessments?	No	Annual risk assessment must be carried out covering all risks including financial.	
	2. Are financial controls documented and regularly reviewed?	No	Greater internal controls are required.	
Income controls	1. Does the precept recorded in the cash-book agree to the Unitary Authority's notification?	No	No UA notification available but does agree to minutes.	
	2. Are security controls over cash adequate and effective?	No	If PC are operating petty cash, a secure box is needed.	
Budgetary Controls	1. Has the Council prepared an annual budget in support of its plans?	Yes	Annual budget inadequate and needs to be reviewed.	
Payroll Controls	1. Do salaries paid agree with those approved by the Council?	No	Clerk underpaid compared to agreed pay scale.	↓

	<p>2. Are other payments to the Clerk reasonable and approved by the Council?</p> <p>3. Has PAYE/NIC been properly operated by the Council?</p> <p>4. Have the correct pension contributions been applied?</p>	<p>No</p> <p>See comment</p> <p>Yes</p>	<p>Clerk is covering too many costs and sometimes without supporting invoices</p> <p>Submissions were sometimes late and penalties have been imposed.</p> <p>However, RFO to review next contributions.</p> <p>Appraisals should be done.</p>	<p>NOTED - SEE SEPARATE RESPONSE</p>
Assets Control	<p>1. Are the Assets/Property Registers up to date?</p> <p>2. Is insurance cover appropriate and adequate?</p> <p>3. Are regular checks undertaken?</p>	<p>No</p> <p>See Comment</p> <p>No</p>	<p>No register available.</p> <p>Insurers have requested increased cover which has not been actioned as yet.</p> <p>Written play area checks must be done to comply with insurance.</p>	
Year End Procedures	<p>1. Are year-end accounts prepared on the correct accounting basis?</p> <p>2. Do accounts agree with the cash book?</p> <p>3. Is there an audit trail from underlying financial records?</p>	<p>Yes</p> <p>See comment</p> <p>See Comment</p>	<p>Receipts & Payments</p> <p>The new RFO has collated the info given by the old clerk and produced a new cash book.</p> <p>Not all transactions could be matched.</p>	
Bookkeeping	<p>1. Is the cash book maintained & up to date?</p>	<p>Yes</p>	<p>See above, new RFO.</p>	<p>↓</p>

	<p>2. Is the cash book arithmetically correct?</p> <p>3. Is the cash book regularly balanced?</p> <p>4. Are receipts & invoices easily identified in cash book?</p> <p>5. Are there vouchers for all transactions?</p>	<p>Yes</p> <p>No</p> <p>No</p> <p>No</p>	<p>Balanced post year end.</p> <p>Numerous receipts & invoices not downloaded and filed.</p>	<p>NOTES - SEE SEPARATE RESPONSE</p>
Payment Controls	<p>1. Are payments in the cash book supported by invoices, authorisation (person or minutes)?</p> <p>2. Is s137 expenditure separately recorded and within statutory limits?</p>	<p>No</p> <p>So Yes</p>	<p>Not all invoices present and able to be identified in minutes</p>	
Website	<p>1. The Council publishes information on a free to access website in accordance with the relevant legislation?</p>	<p>See comment</p>	<p>Information re. FOI Act and accounts and audit regs 2015 must be published.</p> <p>Several years AGAR info missing.</p>	
Public Notice	<p>1. Does a copy of the Public Notice clearly identify the statutory 30 working day period for public inspection?</p> <p>2. Are the relevant dates minuted at the same time as the AGAR?</p> <p>3. Is the Notice published on the website?</p> <p>4. Has the Council complied with the publication requirements for the prior year AGAR?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>See above comment</p> <p>No info on website</p>	<p>↓</p>

Risk Management Arrangements	1. Does a scan of the minutes identify any unusual financial activity?	No	However, payments to EON and issues with them were not minuted.	NOTES - SEE SEPARATE RESPONSE
Budgetary Controls	<p>1. Is actual expenditure against the budget regularly reported to the Council?</p> <p>2. Are there any significant variances from the budget?</p> <p>3. Have these been explained?</p> <p>4. Have reserves (general and earmarked) been established and reviewed annually as part of the budget process?</p>	<p>No</p> <p>Yes</p> <p>No</p> <p>No</p>	<p>Regular reporting to Commerce as soon as possible.</p> <p>Any issues with significant variances need to be reported and explained.</p> <p>Reserves should be kept under review regularly to ensure enough to meet expenditure.</p>	
Income Controls	1. Is income properly recorded and promptly banked?	No	Allotment rents banked months after collection. Internal controls need reviewed and improved.	
Petty Cash Procedures	<p>1. Is all petty cash spent recorded and supported by invoices/receipts?</p> <p>2. Is petty cash expenditure reported to each Council meeting?</p>	<p>Yes</p> <p>No</p>		

Bank Reconciliation	<p>1. Is a bank reconciliation carried out regularly on the receipt of statements?</p> <p>2. Are there any unexplained balancing entries in any reconciliation?</p>	<p>No</p> <p>No</p>	<p>Several o/s cheques have been written off due to not being banked.</p>	<p>NOTES - SEE SCREENED RESPONSE</p>
VAT Procedures	<p>1. Are VAT reclaims carried out in a timely manner and in line with current HMRC requirements?</p>	<p>See comment</p>	<p>Recommend - bi-annual submissions.</p>	
Allotments	<p>1. Do appropriate signed tenancy agreements exist?</p> <p>2. Does an appropriate register of tenants (including monitoring debtors) exist?</p>	<p>See comment</p> <p>See comment</p>	<p>Only blank copy of agreement seen by new RFO.</p> <p>Not previously. Register completed post yle.</p>	<p>↓</p>

Suggestion for Councillors to undertake financial training and review JPAG March 2024 and new model financial regulations to understand their responsibilities. Training to be made available to new RFO and Clerk.

Date: 12/06/2024

Report by: JOANNE BATEY Internal auditor

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Date: 24/06/2024

Replies approved by: James Cavanagh Council member

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