

ANNUAL INTERNAL AUDIT – Arthuret Parish Council Y/E 31.3.2025

SUBJECT	TEST	SATISFACTORY?	NOTES	REPLY
Standing Orders	1. Has the Council formally adopted standing orders and financial regulations? 2. Have levels of delegation been correctly authorised? 3. Have items or services above a deminimis amount been competitively purchased?	Yes Yes Yes	Minute 450 and 486 Consider improving the Minute regarding Per FR - consider a scheme of delegation policy. For the majority, although an incident where quotation was available online for over £3,000. Were other quotes sent? Should it have been a confidential item?	
Risk management arrangements	1. Do the minutes record the Council carrying out annual risk assessments? 2. Are financial controls documented and regularly reviewed?	No NO	However, risk assessment available online. Considers financial control statement	

<p>Income controls</p>	<p>1. Does the precept recorded in the cash-book agree to the Unitary Authority's notification and the public record of precepted amounts?</p> <p>2. Was the precept considered, approved and adopted by the full authority and not a committee?</p> <p>2. Are security controls over cash adequate and effective?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Minute 610+618-1 Precept and Budget must be agreed at full council meeting, not Finance. Minutes do not give sufficient detail Information outstanding with Auditment committee.</p>	
<p>Budgetary Controls</p>	<p>1. Has the Council prepared an annual budget in support of its plans?</p> <p>2. Is actual expenditure against the budget regularly reported to the Council?</p> <p>3. Are there any significant variances from the budget?</p>	<p>See notes</p> <p>Yes</p> <p>Yes</p>	<p>For 2024/2025 the available budget was arithmetically incorrect, for 2025/2026 the new RFO has a much improved budget. Monitoring report quarterly. Council rooms Grants no explanations on report</p>	

	<p>4. Have these been explained?</p> <p>5. Have reserves (general and earmarked) been established and reviewed annually as part of the budget process?</p>	<p>NO</p> <p>NO</p>	<p>See above.</p> <p>Although considered for 2025/2026, previous years demonstrate that reserves (general + earmarked) have not been reviewed thoroughly.</p> <p>RFO raised concern at being informed of folk play area reserves, not yet identified.</p>	
<p>Payroll Controls</p>	<p>1. Do salaries paid agree with those approved by the Council?</p> <p>2. Are other payments to the Clerk/RFO reasonable and approved by the Council?</p> <p>3. Has PAYENIC been properly operated by the Council?</p> <p>4. Have the correct pension contributions been applied?</p>	<p>Yes</p> <p>Yes.</p> <p>Yes</p> <p>NO</p>	<p>Suggest Council get a debit card to avoid reimbursements.</p> <p>Council to consider auto-enrolment into next pension now over threshold.</p>	
<p>Assets Control</p>	<p>1. Are the Assets/Property Registers up to date?</p>	<p>NO</p>	<p>Dates confusing on online FA register, acquisition values missing on several items.</p>	

	<p>2. Are there appropriate levels of insurance cover in place for land, buildings, public, employers liability etc.</p> <p>3. Are regular checks of assets undertaken? <i>Reports only available to Dec 2024 + no record of actions taken on issues raised.</i></p>	<p>Yes</p> <p>Yes</p>	<p>Insurance schedule checked against asset register.</p> <p><u>Play areas</u> Weekly checks by trained counsellor Annual check done professionally</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>Yes</p> <p>Yes</p>	<p><i>Receipts + Payments.</i></p>	
Bookkeeping	<p>1. Is the cash book maintained & up to date?</p> <p>2. Is the cash book arithmetically correct?</p> <p>3. Is the cash book regularly balanced?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>However, payment for petty wreath in wrong column.</p> <p><i>Monthly</i></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>Yes - expenditure No - income</p>	<p>No income receipts made available</p> <p>Expenditure invoices should be numbered</p> <p>no correspond to cashbook.</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>3. Does the council comply with its financial regulations – are procedures in place for the acquisition of formal tenders and quotes?</p>	<p>Yes</p> <p>Yes</p> <p>Yes - requires improvement</p>	<p>Poppy wreath £23? in wrong column in cashbook.</p> <p>Processes can be difficult to follow per the minutes, consider improving.</p>	
Website	<p>1. The Council publishes information on a free to access website in accordance with the relevant legislation?</p>	<p>Yes</p>	<p>Council has a new website - much improved compared to previous one.</p> <p>^</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>Yes.</p>	<p>Not all minutes appear online, specifically confidential items not being Minute numbered.</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>Yes</p> <p>Not sure.</p>	<p>See Minute 491-2</p> <p>Council moved to new website Sept 24 so evidence online isn't available</p>	
<p>Risk Management Arrangements</p>	<p>1. Does a scan of the minutes identify any unusual financial activity?</p>	<p>No</p>		
<p>Income Controls</p>	<p>1. Is income properly recorded and promptly banked?</p>	<p>NO</p>	<p>Suggest improvement to Audit process.</p>	
<p>Petty Cash Procedures</p>	<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 and verified?</p>	<p>No</p> <p>NO</p>	<p>nothing seen from Audit committee who are in receipt of ISO petty cash.</p> <p>as above.</p>	

<p>Bank Reconciliation</p>	<p>1. Is a bank reconciliation carried out regularly on the receipt of statements? 2. Are there any unexplained balancing entries in any reconciliation?</p>	<p>yes No</p>	<p>Monthly</p>	
<p>VAT Procedures</p>	<p>1. Are VAT reclaims carried out in a timely manner and in line with current HMRC requirements?</p>	<p>NO yes</p>	<p>More frequent reclaims would help cashflow.</p>	
<p>Allotments</p>	<p>1. Do appropriate signed tenancy agreements exist? 2. Does an appropriate register of tenants (including monitoring debtors) exist?</p>	<p>? ?</p>	<p>Despite requests from RPO, nothing received from Allotment Association. These need to be available to council.</p>	
<p>Leases</p>	<p>Are leases (if applicable) reviewed appropriately</p>	<p>No</p>	<p>Leases should be reviewed on a more regular basis and thoroughly.</p>	

ADDITIONAL OBSERVATIONS:

Significant improvements have been made with financial controls and monitoring compared to previous years under new RFO.

Council need to be mindful there are areas for improvement.

Some monthly expenditure should not be being paid by the clerk and reimbursed.
Council to set up DP or SO for one.com

Date: 02/07/25

Report by: J. Batay Internal auditor

J. Batay (signature)

Date:

Replies approved by: Council member

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