

HORSTEAD with STANNIGHALL PARISH COUNCIL

Internal Audit Report 2023-24

Prepared by Sarah Hunt

Proper Bookkeeping	Is the cash book maintained and up to date	Yes
	Is the cashbook correct arithmetically	Yes
	Is the cashbook regularly balanced	Yes – Quarterly reports taken to Council Meetings.
Standing orders/financial regulations/payment controls	Has the council formally adopted standing orders and financial regulations.	Standing orders reviewed April 2024, not reviewed within 2023/24. Financial Regulations reviewed April 2024.
	Has an RFO been appointed with specific duties	Employment Contract is for Clerk and RFO. Contract provided and checked.
	Have items or services above the de minimum amount been competitively purchased	Quotations provided to evidence a competitive tendering process.
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted	Yes
	Has VAT on payments been identified, recorded and claimed	Yes – quarterly claims evidenced.
	Is S137 expenditure separately recorded and within statutory limits	N/A – General Power of Competence adopted.
	Have S137 payments been approved and recorded within the minutes as such	N/A
Risk Management arrangements	Does a review of the minutes identify any unusual activity	No – grant for slide, and Pride of Place grants checked along with payments.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme	Financial Risk Assessment only in May. Recommend a general and also specific risk assessments for council activities.

	Has the council considered a general reserves policy	See note.
	Is insurance cover adequate and appropriate	Checked against Asset Register. Council should satisfy itself that the sum insured for the Mill and associated land and buildings is sufficient.
	Are internal financial controls documented	Yes.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved	Yes
	Has the precept been calculated from the budget and approved	Yes – December 2023 – point 7 (d). £36,975.00
	Does the budget include an actual completed year	Yes
	Is actual expenditure against budget regularly reported to council	Yes
	Are there any significant unexplained budget variances	No
Income Controls	Is income property recorded and promptly banked	Yes
	Does the precept recorded agree to the Council Tax authorities notification	Checked against Minuted request. Agrees.
	Are security controls over cash and near cash adequate and effective	N/A
Petty Cash	Is all petty cash invoiced/receipts. Reported to Council. Reimbursed regularly	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions	Contract dated 11.10.2023 provided and checked.
	Do salaries paid agree with those approved by the council	Yes

	Are salaries above the National Living Wage/Minimum Wage	Yes
	Are other payments to employees reasonable and approved by council	Yes
	Have PAYE/NIC been properly employed by the Council as an employer	Yes
	Is re-enrolment up to date (Pension)	Yes – re-declared March 2022
	Are pension payments correctly accounted for	N/A
Asset Controls	Does the council maintain a register of all material assets owned or in its care. Land register?	Yes – shown separately on Asset Register
	Are the assets and investment registers up to date? When were they last reviewed?	Reviewed April 2024
	Do insurance valuations agree with those in the asset register	Yes – within acceptable parameters.
	Are all disposals minuted	No disposals during year.
Bank Reconciliation	Is there a bank reconciliation for each account and is this reported to Council	Yes – quarterly.
	Is a bank reconciliation carried out regularly and in a timely fashion	Yes
	Are there any unexplained balancing entries in the reconciliation	No
Year End Procedures	Are year end accounts R & P or I & E	R & P
	Do accounts agree with the cashbook	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 creditor been properly recorded	N/A
Procedural	Is eligibility for the Power of Competence properly evidenced.	Yes. May 2023. I recommend re-adopting with new clerk in May meeting.
	Have points on the last internal audit been considered by the council and actioned.	Yes – report minuted.
Transparency – smaller councils only	Minutes for whole year on website	N/A
	Agendas for whole year on website	yes
	Payments over £100 detailed on website	Within minutes
	Electors rights advertised on website	Yes – first page only.
	Councillors responsibilities advertised on website	No areas of responsibility noted.
Burial Authorities only	Are fees levied in accordance with the councils approved scale of fees and charges	N/A
	Have fees for the cemetery been reviewed and agreed by Council	
	Were comparisons made with other cemeteries prior to setting the fees	
	Have burial books been kept up to date and are they stored safely	
Councils with charities only	Have charities reported and accounted separately	N/A
	Have the charity accounts been independently audited	
	Have the charity accounts and annual return been filed within the legal time limit	

Thank you very much Becky for providing all the documentation requested so swiftly.

I have checked through the year 2023-24 and I would mention the following:

The Standing Orders require updating, there are references to COVID operating practices throughout point 5 indicating they are not based on the latest model.

The Council must consider a reserves policy.

I note that the Internal Audit documents were not minuted as taken to Council in 2023-24. Council may wish to give thought to this when completing box 7 of the Governance Statement. I appreciate this was prior to the current clerks engagement.

Only page 1 was uploaded of the Electors Rights documents was uploaded, the two pages of guidance were not. Council may wish to give thought to this when completing box 4 of the Governance Statement.

Council appears to only have a Financial Risk Assessment, consideration should be given to the adoption of a general risk assessment.

I note that there has been a change of Clerk during the year, and I have no concerns I would like to bring to the attention of the Council.