

Rollesby Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
11 April 2024

I have completed an internal audit of the accounts for Rollesby 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? | Updated monthly |
| Standing Orders, Financial Regulations and payment controls | Has the council formally adopted Standing Orders and Financial Regulations? | Yes |
| | Date Standing Orders last reviewed | June 2023 minutes |
| | Date Financial Regulations last reviewed | January 2024 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, trail evidenced from invoice, to minutes, to bank account |
| | Has VAT on payments been identified, recorded and reclaimed? | Yes, separate column in cashbook. Claim received May 23. |
| | Is s137 expenditure separately recorded and within statutory limits? | N/A – hold GPOC |
| Risk management arrangements | Have S137 payments been approved and included in the minutes as such? | N/A |
| | Does a review of the minutes identify any unusual financial activity? | £90308.38 paid in then out for parish fund – guidance on reporting this followed from external auditor |
| | Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme? | Financial risk assessment – March 24 General RA on website - undated |
| | Is insurance cover appropriate and adequate? | Public and employer liability - yes |

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|-----------------------|--|--|
| | Are internal financial controls documented and regularly reviewed? | March 24 minutes |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | 2324 budget - approved 2425 budget - approved |
| | Has the precept been calculated from the budget and been approved? | 2324 – approved as £12,500, extra £200 added in subsequent minutes outside of meeting 2425 -approved as £32,799.00. |
| | Does the budget include an actual completed year? | Yes |
| | Is actual expenditure against budget regularly reported to the council? | Yes, report page in cashbook |
| | Are there any significant unexplained variances from budget? | Payment to parish fund – not unexplained |
| Income controls | Is income properly recorded and promptly banked? | Yes |
| | Does the precept recorded agree to the Council Tax authority's notification? | £15900 bank account £15900 remittance (inc concurrent functions £3200) |
| 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, checked 2023 |
| | Do salaries paid agree with those approved by the council? | Yes National pay award awarded November 23 |
| | Are salaries above the National Living Wage/Minimum Wage? | Yes |
| | Are other payments to employees reasonable and approved by the council? | Yes, expenses seen |

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|--|--|---|
| | Have PAYE/NIC been properly operated by the council as an employer? | P60 seen |
| 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? | Reviewed in June 23 minutes. 2023 flagpole purchase added. |
| | Do asset insurance valuations agree with those in the asset register? | Yes, £38k for assets |
| 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 at each meeting |
| | Are there any unexplained balancing entries in any 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? | Statements £9044.21 AGAR £9044 |
| | Has a year-end bank reconciliation been undertaken? | Yes £9044.21 |
| | Is there an audit trail from underlying financial records to the accounts? | Yes |
| Procedural | Is eligibility for the General Power of Competence properly evidenced? | Yes, May 23 minutes & paperwork for PKF in file |
| | Have points raised on the last Internal Audit report been considered by council and actioned? | Electoral right to be published on website – yes Regular bank reconciliation reports to Council – yes Standing order contract amounts updated - yes |
| Transparency: For smaller councils with turnover under £25,000 | Minutes for whole year on website? | Yes |
| | Agendas for whole year on website? | Yes |

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|----------------------|---|----------------------------------|
| | Payments over £100 detailed on website? | Payments included within minutes |
| | Electors' rights advertised on website? | Yes |
| | Councillors' responsibilities detailed on website? | Yes |
| | Last financial year's AGAR on website? | Yes |
| | Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | Yes |
| Allotments only only | Has a list of allotment holders with amounts paid to Council been submitted? | Yes, included in cashbook |
| | Have fees for the allotments been reviewed and agreed by Council? | Considered July 23 minutes |

Summary of report:

Thank you to Sarah for providing all of the documentation required.

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

Notes / recommendations for 24/25:

Email management – the JPAG Practitioners Guide states that “every authority should have an email account that belongs to the council and to which the council has access – this ideally would be a .gov.uk or .org.uk address or could be an address linked to the council website”. As you are using an Outlook account this may be something that Council wishes to budget for this year.

Sonya

Sonya Blythe
Internal auditor