

Newton Flotman Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
21 April 2024

I have completed an internal audit of the accounts for Newton Flotman 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?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	May 22 minutes
	Date Financial Regulations last reviewed	September 22 minutes
	Has a Responsible finance officer been appointed with specific duties?	Yes, Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, payments evidenced from invoice, to minutes, to bank account
	Has VAT on payments been identified, recorded and reclaimed?	Yes, separate column in cashback. Claim received April 23.
	Is s137 expenditure separately recorded and within statutory limits?	N/A
	Have S137 payments been approved and included in the minutes as such?	N/A
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	No – July 22 *See recommendation
	Is insurance cover appropriate and adequate?	Yes, cover seen
	Are internal financial controls documented and regularly reviewed?	Internal control policy on website - 2021

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2324 – approved November 2022 minutes 2425 – approved November 23 minutes
	Has the precept been calculated from the budget and been approved?	2324 – minuted as £24,257.72 2425 – minuted as £29,757
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, quarterly budget reports recorded in minutes
	Are there any significant unexplained variances from budget?	Youth club £6k over budget – not unexplained, receipts seen
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Bank £24260 Remittance £24260
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 previously
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes National pay increment applied to salary in November minutes
	Are other payments to employees reasonable and approved by the council?	Yes, expenses seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, PAYE identified on payslips and payments made to HMRC

Internal control	Test	Observations
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?	Yes – Jan 24 minutes, new items added on.
	Do asset insurance valuations agree with those in the asset register?	Yes, schedule seen
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 quarterly at meetings
	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, R&P
	Do accounts agree with the cash book?	AGAR £13787 Bank statements £13786.63
	Has a year-end bank reconciliation been undertaken?	Yes, £13786.63
	Is there an audit trail from underlying financial records to the accounts?	Yes
Procedural Transparency: For smaller councils with turnover under £25,000 (best practice over £25K)	Is eligibility for the General Power of Competence properly evidenced?	May 23 minutes
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised
	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes, payments all included within minutes
	Electors' rights advertised on website?	Yes
Councillors' responsibilities detailed on website?	Yes	

Internal control	Test	Observations
Allotments only	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
	Has a list of allotment holders with amounts paid to Council been submitted?	Included in cashbook
	Have fees for the allotments been reviewed and agreed by Council?	Yes – November 23 minutes

Summary of report:

Thank you to Maria for supplying all the documentation so promptly.

- 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 accounted for correctly within the cashbook and you have made a reclaim during the financial year
- I have verified that your insurance is adequate
- I confirm that your payroll management meets requirements
- I note that your reserves are adequate for the assets for which you are responsible
- 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:

Your risk assessment was last reviewed in July 2022. As one of the criteria of the internal audit and the governance statement are confirming that risk has been managed, this document should be considered and minuted during each financial year.

Sonya

Sonya Blythe
Internal auditor