

Beachamwell Parish Council

Internal Audit Report

For Beachamwell Parish Council

Financial Year 23/ 24

Prepared by Di Dann, CiLCA , FILCA qualified
19th February 2024 – 3rd April 2024
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I have completed an internal audit of the accounts for Beachamwell Parish Council for the year ending 31st March 2024.
My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2023**.

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

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 Scribe System
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	9 th January 2024
	Date Financial Regulations last reviewed	9 th January 2024
	Has a Responsible Financial Officer been appointed with specific duties?	Yes
	Have items or services above the de minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes Noted cheque no 873 £12 not presented
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable) Are Financial Regulations followed?	GPC not adopted. S137 identify in the minutes. Yes See below
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?	Yes
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes

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?	Yes
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes - see below
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	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 the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
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
	Do asset insurance valuations agree with those in the asset register?	Recommend -Forward to insurer prior to next renewal

Internal control	Test	Observations
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?	Yes
	Are there any unexplained balancing entries in any reconciliation?	Yes
	Is the value of investments held summarised on the reconciliation?	List reserves at year end
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?	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 creditors been properly recorded?	N/A
Procedural	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
	Policy documents routinely updated?	Yes – annually. See below
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes

Internal control	Test	Observations
	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
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a privacy policy? Is it on the website?	Yes
FOI Publication Scheme	Is there an FOI Publication Scheme? Is it on the website? Is it updated?	Yes Yes Yes

Summary of my recommendations:

Financial Regulations and Internal Control measures

Budget Monitoring (BMD). The Financial Regulations 4.8 details a BMD to be "regularly provided". At next review consider amending Regulations to include reporting frequency i.e. quarterly / half yearly. Transfer this detail to the Internal Control Policy. (The model Regulations, as used, are written by NALC for the largest of councils and could well be simplified for smaller councils such as Beachamwell, without comprising controls.)

Policies

Risk documents. There are currently three documents - Risk Management Assessment and Financial Risk Assessment, SAM2. Consider amalgamating these documents into one "Risk Management Policy and Schedule". The Policy would explain the purpose of risk management; risk calculation (**using the risk matrix in Governance and Accountability**), the Schedule and any Risk Assessment undertaken. The Schedule is made up of financial and operational risks.