Sporle with Palgrave Parish Council

Internal Audit Report
Financial Year 2023/24

Prepared by Sonya Blythe
13 April 2024

I have completed an internal audit of the accounts for Sporle with Palgrave 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 (Scribe)
	Is the cashbook arithmetically correct?	Yes (last years AGAR restated)
	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	January 2024 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, evidenced from invoice to minutes to bank account
	Has VAT on payments been identified, recorded and reclaimed?	Separate VAT column in cashbook Claim for £5158.62 submitted 31 March 24 2223 payment received Nov 23
	Is s137 expenditure separately recorded and within statutory limits?	Separate line in cashbook
	Have S137 payments been approved and included in the minutes as such?	No payments made
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 – March 23
	Is insurance cover appropriate and adequate?	Yes, updated during year

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	January 2024 minutes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2324 – not minuted as receiving a budget when precept set 2425 – minuted as approved Jan 24
	Has the precept been calculated from the budget and been approved?	2324 – approved as £23,707.85 2425 – approved as £35,387
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes
	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?	Bank account £23707.86 Remittance slips £23707.86
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, contract seen
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes Pay rise implemented Dec 23 payments
	Are other payments to employees reasonable and approved by the council?	Yes, expenses seen

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, P60 seen, pension costs paid
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, June 23 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes, valuations updated 2324
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, reported regularly to Council
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
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?	Statements £9994.26 AGAR £9994
	Has a year-end bank reconciliation been undertaken?	Yes, £9994.26
	Is there an audit trail from underlying financial records to the accounts?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	N/A
	Have points raised on the last Internal Audit report been considered by council and actioned?	Increase Pavilion insurance – increased by 10K More regular budget monitoring required – reported regularly in minutes
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes

Internal control	Test	Observations
(best practice over £25k)	Payments over £100 detailed on website?	Yes, included within minutes
	Electors' rights advertised on website?	Yes – 23 June
	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)	No – (outside Transparency Code scope, but best practice)
Councils with charities only	Are all Charities up to date with Charity Commission filing requirements??	Accounts with auditor
	Has the Council been named as Sole Trustee on the Charity Commission Register??	Yes
	Are the Charity meetings and accounts recorded separately from those of the Council?	Yes

Summary of report:

Thank you to Sarah for supplying all 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 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 was pleased to see that Council increased their precept to allow for additional general reserves to be put in place

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 Gmail account this may be something that Council wishes to budget for this year

As one of the categories on the AGAR specifically references risks being assessed within the year, I would recommend that you review your risk register annually going forwards.

Sonya

Sonya Blythe
Internal auditor