# Cantley Parish Council

Internal Audit Report

For Cantley Parish Council

Financial Year 2023/2024

Including Explanatory Notes for Annual Governance & Accountability Return
(where a 'no' has been marked)

Prepared by Tina Newby
12th May 2024

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I have completed an internal audit of the accounts for Cantley Parish Council for the year ending 2023/2024.
My findings are detailed below using the tests provided in the Governance and Accountability (England) 2023.

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

| | |
|---|---|
| Total Receipts | £13,258.35 |
| Total Payments | £14,206.00 |
| Total Reserves | £6,206.28 |
| Precept 2023/2024 | £11,000.00 |

| Internal control | Test | Observations |
|---|---|---|
| Proper bookkeeping | Is the cashbook maintained and up to date? | Yes using Excel |
| | Is the cashbook arithmetically correct? | Yes using Receipts and Payments |
| | Is the cashbook regularly balanced? | Yes every month |
| Standing Orders, Financial Regulations and payment controls | Has the council formally adopted Standing Orders and Financial Regulations? | Yes |
| | Date Standing Orders last reviewed | Jan 2024 item 9 using Procurement Threshold as £25,000 |
| | Date Financial Regulations last reviewed | Feb 2024 item 11 using Procurement Threshold as £30,000 |
| | Has a Responsible finance officer been appointed with specific duties? | Clerk is the appointed RFO |
| | Have items or services above the de minimus amount been competitively purchased? | n/a |
| | Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | No purchase orders. Cashbook has been spot checked and all appears to be in order. |
| | Has VAT on payments been identified, recorded and reclaimed? | VAT has been recorded, but not yet claimed for 2023/24 |
| | Is s137 expenditure separately recorded and within statutory limits? | Using s137, no General Power of Competence. |
| | Have S137 payments been approved and included in the minutes as such? | S137 payments have been separated in their own column and approved |

| Internal control | Test | Observations |
|---|---|---|
| Risk management arrangements | Does a review of the minutes identify any unusual financial activity? | Risk Assessment has been updated and appears to be in order. |
| | 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<br>PL £10,000,000<br>EL £10,000,000<br>Fraud and Dishonesty £150,000<br>Trustees Indemnity £500,000 |
| | Are internal financial controls documented and regularly reviewed? | Yes appointment made in March 2024 |
| 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 21/12/23 meeting. |
| | 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? | No evidence of the Precept form being sent to District. |
| | Are security controls over cash and near-cash adequate and effective? | No cash |
| 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 |

| Internal control | Test | Observations |
|---|---|---|
| Payroll controls | Do all employees have contracts of employment with clear terms and conditions? | One employee, one left part way through the year.<br>P45 evidenced for M Eversfield.<br>P60 evidenced for A Tandy. |
| | 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? | No. The asset register is £15,728, but the AGAR is quoting £15,918. There is a discrepancy! |
| | Are the assets and Investments registers up to date? When were these last reviewed? | Yes March 2024 |
| | Do asset insurance valuations agree with those in the asset register? | Insured assets £60,681 |
| 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, monthly |
| | Are there any unexplained balancing entries in any reconciliation? | No |
| | Is the value of investments held summarised on the reconciliation? | n/a no investments |
| Year-end procedures | Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)? | Yes, Receipts and Payments |
| | Do accounts agree with the cash book? | Yes |
| | Can you agree the Bank balance brought forward from previous year | Yes |
| | Has a year-end bank reconciliation been undertaken? | Yes |

| Internal control | Test | Observations |
|---|---|---|
| Procedural | Is there an audit trail from underlying financial records to the accounts? | Yes |
| | Where appropriate, have debtors and creditors been properly recorded? | n/a |
| | 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? | No Internal Audit Report was found |
| | Has last years minutes recorded the appointment of an Internal Auditor and agreed the costings | Yes |
| Transparency: For smaller councils with turnover under £25,000 And over £200,000 | Minutes for whole year on website? | Yes |
| | Agendas for whole year on website? | Yes |
| | Payments over £500 detailed on website £100 for councils under £25,000? | £100 as under £25,000 limit |
| | Electors' rights advertised on website? | Yes, although last year out of date |
| | Councillors' responsibilities detailed on website? | Yes |
| | Last financial year's Annual Return on website? | Not completed |
| | Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | Yes |
| Web Accessibility | Does your website and documents comply?<br>Using https://webaim.org/ | Yes |
| Burial Authorities only | Are fees levied in accordance with the Council's approved scale of fees and charges? | n/a |
| | Have fees for the cemetery been reviewed and agreed by Council? | n/a |

| Internal control | Test | Observations |
|---|---|---|
| | Were comparisons made with other cemeteries prior to setting the fees? | n/a |
| | Have burial books been kept up to date and are they safely stored? | n/a |
| Allotments | Has a list of allotment holders with amounts paid to Council been submitted? | n/a |
| | Have fees for the allotments been reviewed and agreed by Council? | n/a |
| Councils with charities only | Have Charities reported and accounted separately? | Yes |
| | Have the Charity accounts been independently audited? | n/a |
| | Have the Charity accounts and Annual Return been filed within the legal time limit? | Yes Charity No 1140788 return 31/10/2023 |
| General Data Protection Regulation (compliance from 25/5/2018) | Has the Council adopted a Data Protection Policy? | Yes |
| | Has the Council carried out an information audit? | No |
| | Has the Council put in place Privacy Notices? | Yes |
| | Is there evidence of the policies on the website | Yes |
| | Has Data Protection been built into the general procedures, processes and policies of the Council? | Yes |

Balance B/f 1/4/23 confirmed £18,152.53
Balance as at 31/3/24 confirmed £17,376.00

**Summary of my recommendations:**
Great set of accounts.

- When reviewing the Standing Orders and Financial Regulations the Procurement Threshold needs to mirror each other. Your Standing Orders state £25,000 and the Financial Regulations state £30,000. £30,000 is the correct threshold to use.
- You have mentioned in the minutes that the website is still be worked on. It is a very good website. Please could you upload ALL the AGAR for 2022/23, not just the Exemption Certificate.

- There is no evidence of Precept forms for 22/23 and 23/24. These should be on the website too.
- Exemption Certificate show the incorrect timeframes. The minute reference is 20th July 2023. This means that the Exercise for Public Rights has missed the mandatory first 10 working days in July 2023.
- Transparency Code 2015 for smaller authorities:
    a. All items of expenditure above £100
    b. End of year accounts
    c. Annual governance statement
    d. Internal audit report
    e. List of councillor or member responsibilities
    f. The details of public land and building assets
    g. Minutes, agenda and meeting papers of formal meetings.
- VAT: No previous evidence that VAT has been claimed. The Clerk informed me of this.
- December Minutes on the website still has the Draft watermark.
- No Detailed Internal Audit report was found for last year 22/23, as well as the AGAR Internal Audit Report for 22/23
- Please set up an ICO Model Publication Scheme
- Have the charities been independently audited? I see there is some more work to be done for this.
- No CIL return for 23/24 on the website.
- I note that you are claiming the full amount expenses for working from home. There is a different criteria when you are working for more than one parish council. Please see attached 2 documents.
- When there is a election year (every 4 years) the Annual Parish Council meeting held in May 2023. This is classed as a new parish council, even if the same councillors are present. It is very important for all councillors to sign the Declaration of Acceptance of Office and to fill in the register of interests, again.

For Information:

- Email gov.uk accounts:

  Click on this link to view the news blog in connection with .gov.uk domain

  Council operates with a .gov.uk email address for the Clerk and Councillors, thereby complying with GDPR and demonstrating that the council has an official status thereby building trust, credibility and authenticity.

**Signed: ……**Tina Newby**…… Date: 12th May 2024**

AIAR Return 2023-2024

Item L. No previous complete audit or AGAR return 2022-2023

Item M. No correct dates for the period of exercise of public rights. No form on website.

Item N. No Completed AGAR on website.