Brancaster 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 Brancaster 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, each meeting
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
	Date Financial Regulations last reviewed	March 2023
	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, trail from invoice, to minutes, to bank account
	Has VAT on payments been identified, recorded and reclaimed?	Yes, separate column in cashbook, claim received November 23
	Is s137 expenditure separately recorded and within statutory limits?	Yes, separate column in cashbook and within limit
	Have S137 payments been approved and included in the minutes as such?	Yes
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 - February 24 minutes
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	No separate internal control document, but financial regs and financial risk assessment in place

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 budget – minuted as approved January 2023 2425 budget – approved January 2024 minutes.
	Has the precept been calculated from the budget and been approved?	2324 – approved as £23,321.06 2425 Approved as £23,320
	Does the budget include an actual completed year?	No, but predictions to current year end included
	Is actual expenditure against budget regularly reported to the council?	Balances reported at each meeting
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes, majority of income by BACS
	Does the precept recorded agree to the Council Tax authority's notification?	Minutes £23,321.06 Precept received per bank statement £23,321.06 April 23
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 Nov 23 minutes – national salary increase implemented
	Are other payments to employees reasonable and approved by the council?	Yes, expense claims seen

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, P60 and pension conts 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?	Yes – March 2024 minutes
	Do asset insurance valuations agree with those in the asset register?	Items not listed separately in policy, but amounts overall seem adequate
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes, reported regularly in minutes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, reported monthly
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: £187750.92 AGAR £184744 (minus uncashed cheques)
	Has a year-end bank reconciliation been undertaken?	Yes, £184743.72 (£187750.92 with uncashed cheques)
	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?	No written report provided. External audit raised "The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests. Any earmarked reserves should be considered and formally approved by the smaller authority." Yes - earmarked reserves / capital tab on cashbook.
Transparency: For smaller councils	Minutes for whole year on website?	Yes

Internal control	Test	Observations
with turnover under £25,000	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes – payments recorded in 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, asset list published

Summary of report:

Thank you to Simon 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:

When budget setting it is best practice to have a complete budget year on the document for Council to see. For example when setting the 24/25 budget, you would have had a full year showing for 2223, then the estimate to the end of 2324, then the 2425 budget line for consideration. This helps to have a full summary of the financial position available.

Sonya

Sonya Blythe
Internal auditor