Thornage Parish Council

Internal Audit Report

For Thornage Parish Council

Financial Year 23 / 24

Prepared by Di Dann, CiLCA , FILCA qualified
13th April 2024
T 01328 878196
E mail didann@outlook.com

I have completed an internal audit of the accounts for Thornage 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
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	March 2024 Refer below
	Date Financial Regulations last reviewed	February 2022
	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
	Has VAT on payments been identified, recorded and reclaimed?	Yes: period Feb 2023 – Feb 2024 claimed Refer below
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	GPC adopted May 2023
	Are Financial Regulations followed?	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?	Annual – December 2023
	Is insurance cover appropriate and adequate?	Yes

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes ICO appointed
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
	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 May 2023

Internal control	Test	Observations
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes Only one account held
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	No End of Year is Working Balance
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
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

Internal control	Test	Observations
	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 – On Asset Register
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a DP policy? Is it on the website?	Yes Yes
FOI Publication Scheme	Is there an FOI Publication Scheme? Is it on the website? Is it updated?	Yes Yes 2023

Summary of my recommendations:
VAT
Note that a payment was made to the Clerk for expenses of £39.75 on 13th July 2023. This included a payment made to Tesco VAT Reg. No. 220430321 for stationery Total £4.75. The VAT element of this receipt can be reclaimed from HMRC.

Standing Orders
At next review update thresholds for Contracts. This changed in January 2022 It is now £25,000.00

Data Protection
The Information Commissioners Officer would recommend identifiable council specific e mail addresses to separate personal e mails from those sent in relation to council work. The Clerk has a council specific e mail address, and the need to have similar for councilors could be seen as unnecessary in a small council like TPC. None the less when the Data Protection Policy is reviewed, it would be a good time to revisit the seven principles of data protection. Induction training for new councilors includes training on Data Protection and new councilors should be encouraged to attend this training. Data Protection is a Risk identified on the Council's Risk Management Policy and training is one way of minimizing risk.