Internal Audit Report

For

Thorpe Market Parish Council

Financial Year 2021-2022

Prepared by

R M Calvert

21 April 2022

I have completed an internal audit of the accounts for Thorpe Market Parish Council for the year ending 31 March 2022

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 | May 2021 |
| Date Financial Regulations last reviewed | May 2021 |
| Has a Responsible finance 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 |
| Have legal powers been identified for purchases | Where required |
| Has VAT on payments been identified, recorded and reclaimed? | Yes |
| Is s137 expenditure separately recorded and within statutory limits? | N/A |
| Have S137 payments been approved and included in the minutes as such? | N/A |
| 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  May 2021 |
| Is insurance cover appropriate and adequate? | Yes |
| Are internal financial controls documented and regularly reviewed? | Yes |
| 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? | No |
| Is actual expenditure against budget regularly reported to the council? | No |
| 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? | Yes |
| 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? | **Y**es |
| Do salaries paid agree with those approved by the council? | To be reviewed to take account of Clerk’s CiLCA and cost of living increase |
| 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 |
| Where appropriate, are these inspected annually | Yes |
| Are the assets and Investments registers up to date? When were these last reviewed? |  |
| Do asset insurance valuations agree with those in the asset register? | To be reviewed |
| 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? | No |
| Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)? | Yes |
| Year-end procedures | 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 |
| Have the minutes been signed by the chairman | Originals not seen |
| Procedural | Has the chairman initialled each page of the Minutes book | Originals not seen |
| Has the chairman signed the year end bank reconciliation | Yes |
| 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? | Yes |
| Minutes for whole year on website? | Yes |
| Transparency: For smaller councils with turnover under £25,000 | Agendas for whole year on website? | Yes |
| Payments over £100 on website? | Yes |
| Electors’ rights advertised on website? | Yes |
| Councillors’ responsibilities detailed on website? | Yes |
| Last financial year’s Annual Return on website? | Yes |
| Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | No |
| Has a list of allotment holders with amounts paid to Council been submitted? | N/A |
| Allotments | Have fees for the allotments been reviewed and agreed by Council? | N/A |
| Have Charities reported and accounted separately? | N/A |

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Signed Date