

# Keith Robertson Internal Audit Services

## WESTFIELD PARISH COUNCIL

### Internal Audit Report 2023-24

#### Introduction

In accordance with the Internal Audit Plan, Controls and Procedures have been tested. The tests were to the standards and practices defined in the Governance and Accountability for Smaller Authorities 2023 and meet the needs of the Council. I confirm that I do not have any role within the Council and have carried out my duties without bias.

The audit was completed on 26<sup>th</sup> April 2024 at the Clerk's office and confirmed that the financial management and internal controls are in good order. No issues were found that require noting on the annual return. The report below highlights the findings of the audit with reference to the Internal Control Objectives and Governance Statements in the Annual Return.

#### **Prior Year audit comments and actions**

##### **Internal Audit 2022-23**

D: Budget & Reporting. Recommend that the reserves grid detailing Budgeted EMR is extended to also show GR and Total reserves for the 2024-25 budget. This will clarify what all reserves are expected to be. **Mostly complete**, minor changes discussed for 24-25  
G.4 G.4 As at 31-3-23 the payroll data had not been reconciled to the data in the ledger. This should be completed as part of the financial controls. **Completed**.

**External Audit 2022-23.** No comments

#### **Internal Audit Report 2023-24**

##### **A. Appropriate Accounting Records.**

- A.1 The financial records are maintained in RBS. The ledger is kept up to date. The data held for each transaction is correct; the ledger is arithmetically correct and regularly balanced.
- A.2 The Financial ledger agrees to the AGAR and to the financial report as at 31-3-24

##### **B. Financial Regulations, documentation, and approvals.**

- B.1 Financial Regulations and Standing orders were last reviewed in 2023.
- B.2 Expenditure Approvals. Items sampled were correctly approved with an audit trail of approval through the minutes to the cash book.
- B.3 VAT transactions sampled were correct for 2023-24
- B.4 Agendas & Minutes are sent out in time are well presented.
- B.5 Payments are made by bank transfer with 2 signatures required for either on-line banking or cheque payments.

**C. Risk Assessment**

- C.1 The Risk Management plan up to date and is adequate. Playgrounds have monthly inspections and formal inspections every quarter
- C.2 Internal Audit Effectiveness. The Clerk continues to review and update the internal controls which are good.
- C.3 Insurance – The Parish Council's Insurance is adequate to cover the assets at current value in the asset register.
- C.4 Risk mitigation has been reviewed for all assets.

**D. Budgeting & Reporting.**

- D.1 The budget is prepared by the RFO with reference to the current YTD and current year Forecast. This includes R&P and reserves. The 2024-25 Budget was reviewed in this audit. The budget was properly approved by the Council, it is adequate and supported the precept. There were some errors on some of the forecast data between versions of the budget papers but this did not impact the validity of the budget or setting of the precept.

**E. Receipts**

- E.1 Income is primarily from the annual precept. The precept recorded in the minutes agrees to the Council Tax authority's notification.
- E.2 Other income is banked as received.
- E.3 There is no VAT on income.

**F. Petty Cash – The Council does not use a petty cash system or hold petty cash.**

**G. Employee Costs**

- G.1 Staff Wages – Payroll is managed by payroll bureaux. Payment controls outlined by the Clerk/RFO are adequate. Samples of payroll transactions checked in this audit were correctly accounted for.
- G.2 The Clerk/RFO has a contract of employment.
- G.3 Payroll changes and monthly payroll are authorised by the Council and recorded in the minutes.
- G.4 The data in the payroll systems did reconcile to the payroll data in the accounting system.

**H. Assets**

- H.1 Assets – An Asset register which details the location, purchase date, cost value and replacement value of each asset is held and maintained. Cost value of the assets at 31-3-24 agreed to the draft AGAR document presented for audit.

**I. Bank Reconciliations.**

- I.1 Bank reconciliations are completed on a monthly basis. The reconciliations are presented to the Council with the bank statements. The sample of bank reconciliations reviewed in this audit confirmed these were correct and being properly reviewed. All bank reconciliations at year end were correct.

**J. Accounting Statements.**

- J.1 The accounts are maintained on a Receipts and Payments basis & agree the AGAR.
- J.2 Items chosen in the sample of payments from the cash book were supported by invoices, properly authorised for payment and approved in the minutes.
- J.3 Reserves – The reserves are reported by EMR and the general reserve considered adequate for the Council.

**K. Limited Assurance Review Exemption.**

The Council did not exempt itself in 2022-23

**L. Transparency code reporting.** The Council complied with the publication requirements.

**M. Exercise of Public Rights 2022-23**

The Council did correctly provide for the exercise of public rights in 2023-24 for 2022-23.

**N. Publication requirements AGAR 2022-23**

The Council did correctly publish the documents required.

**O. Trust Funds.**

The Council acts as the managing trustee for a trust which refers to piece of land. A S196 agreement. (Trustees' memorandum of agreement) enables the council to receive relevant income from that land and directly make payments as the Council for that land and to record these through the books of the Council. Trustee meetings are held.

It is noted that the figures have been produced by the Clerk in accordance with the requirements and all supporting documents have been produced for the Internal Audit. The Clerk's co-operation aided considerably the work of this internal audit. Thank you.

Keith Robertson FCMA  
Internal Auditor  
5<sup>th</sup> May 2024