# Ringsfield and Weston Parish Council

Internal Audit Report

For Ringsfield and Weston Parish

Financial Year 2023-2024

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

Prepared by Tina Newby
24th May 2024

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I have completed an internal audit of the accounts for Ringsfield and Weston Council for the year ending March 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.

| 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 | The Standing Orders have not been reviewed for 23/24 |
| | Date Financial Regulations last reviewed | The Financial Regulations have not been reviewed for 23/24 |
| | Has a Responsible finance officer been appointed with specific duties? | No active Clerk at the time of audit |
| | Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | Yes. No purchase orders. Not all invoices were in the folder to cross check with cashbook and bank statement. All payments are noted in the minutes before authoirising. Very transparent. All included in the minutes. |
| | Has VAT on payments been identified, recorded and reclaimed? | No claims return completed or received for 22-23 or 23-24 |
| | Is s137 expenditure separately recorded and within statutory limits? | s137 column used. No GPoC |
| | Have S137 payments been approved and included in the minutes as such? | Yes |
| Risk management arrangements | Does a review of the minutes identity any unusual financial activity | No – all OK |

| Internal control | Test | Observations |
|---|---|---|
| | Do minutes record the council carrying out an annual risk assessment or reviews of their risk management scheme? | No reviewed this audit year. |
| | Are internal financial controls documented and regularly reviewed? | No reviewed this audit year |
| Insurance | Is insurance cover appropriate and adequate? | No evidence |
| | Insurance certificate | Zurich MLAACE06 |
| | Employers' liability adequate?<br>Public Liability adequate? | No evidence of EL or PL |
| | Fidelity guarantees adequate? | No evidence |
| | Asset values | No evidence |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | Yes, but no figures included in the minutes, not transparent and cannot confirm what the parish council agreed too. |
| | Has the precept been calculated from the budget and been approved? | No evidence of the precept and budget being discussed for this audit year |
| | Precept form for this year and previous year. Is there evidence? | No evidence of the precept and budget being discussed for this audit year.<br>No evidence of the Precept request going to ESC |
| | Does the budget include an actual completed year? | Yes |
| | Is actual expenditure against budget regularly reported to the council? | Yes |
| | Has the Council agreed a General Reserve Policy and is this figure reflected in the 'free balance' | No evidence |

| Internal control | Test | Observations |
|---|---|---|
| | 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, no precept form seen |
| | Are security controls over cash and near-cash adequate and effective? | N/a |
| 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? | No evidence |
| | Do salaries paid agree with those approved by the council? | No evidence, no payslips seen |
| | Are salaries above the National Living Wage/Minimum Wage? | No, NJC Scales should be used |
| | Are other payments to employees reasonable and approved by the council? | Yes |
| | Have PAYE/NIC been properly operated by the council as an employer? | No |
| Asset controls | Does the council maintain a register of all material assets owned or in its care? | No evidence |
| | Are the assets and Investments registers up to date? When were these last reviewed? | No evidence |
| | Do asset insurance valuations agree with those in the asset register? | No evidence |
| Bank reconciliation | Is there a bank reconciliation for each account and is this reported to council? | Yes, completed for 31/3/23, although not signed off. |
| | Is a bank reconciliation carried out regularly and in a timely fashion? | Evidenced throughout the audit year in the minutes |

| Internal control | Test | Observations |
|---|---|---|
| | Are there any unexplained balancing entries in any reconciliation? | No |
| | Is the value of investments held summarised on the reconciliation? | No – see recommendations |
| 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 |
| | 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 | Is eligibility for the General Power of Competence properly evidenced? | No – does not fit the criteria |
| | Have points raised on the last Internal Audit report been considered by council and actioned? | Some points have been raised and corrected, but not all. |
| Transparency: For smaller councils with turnover under £25,000 | Agendas for whole year on website? | Yes |
| | Payments over £100 detailed on website? | Yes |
| | Electors' rights advertised on website? | No |
| | Councillors' responsibilities detailed on website? | No – but the Chairman and Vice chairman are stated |
| | Last financial year's Annual Return on website? | No 2022-23 annual returns are published. **There needs to be up to and over 5 years of audit and accounts on the website.** |
| | Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | n/a not needed |

| Internal control | Test | Observations |
|---|---|---|
| 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 |
| | 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 |
| Councils with charities only | Have the Charity accounts and Annual Return been filed within the legal time limit? | n/a |
| | Have the Charity accounts been independently audited? | n/a |
| | Are all Charities up to date with Charity Commission | n/a |
| | Has the Council been named as Sole Trustee on the Charity Commission Register? | n/a |
| General Data Protection Regulation (compliance from 25/5/2018) | Has the Council carried out an information audit? | No – see recommendations |
| | 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? | No |
| | Has the Council adopted a Data Protection Policy | No |
| | Has the Council registered with the Information Commissioner's Office? | No – see recommendations |
| Web Accessibility | Does your website and documents comply? Using https://webaim.org/ | Yes |

| Internal control | Test | Observations |
|---|---|---|
| Councils with 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 the Council | N/a |

**Summary of my recommendations:**

**Whilst I appreciate you are in between Clerks, these are my findings.**

- S137 payments are a requirement, column is in cashbook and used. Well done.
- The Council has not agreed a Statement of Internal Controls, which sits alongside the risk assessment and should been reviewed annually.
- The Council should set a General Reserve Policy – setting a general reserve of between three and twelve months revenue expenditure depending on the size of the Council. Guidance is available at item 5.32 onwards of the Practitioners Guide 2023.
- There is nothing in the minutes that suggests you have reviewed the policies this year.
- You will need to 'ring-fence' the balance that's left for CiL money, so you do not spend it on other things. Therefore this could be earmarked reserves.
- When working on your cash book, record the VAT in the VAT column. This will mean that there will be a column for the total amount, then the costed columns will be the total without VAT, and then the figure in the VAT column. Therefore; VAT column and the costed columns, should equal the total amount paid. This is because you can claim back VAT.
- There was no evidence that the Budget or Precept was approved for 2023-2024. When approving the budget, the minutes should detail what the precept is going to be and the increase in Band D charges.
- All Parish Councils should have joined the Information Commissioner Officer and set up for General Data Protection, this became law in 2018. I see no evidence that you subscribe to or have any policies referring to this. No subscription to the ICO is evidenced.
- At the four yearly elections or even annually in May 2023. It would be a good idea to review the Register for Interests for all Councillors. Please provide a link to the ESC Register of Interests link on the Councillors webpage.
- The VAT has not been reclaimed for the audit year and the previous year. This will need to be done as soon as possible.
- The following policies need to be reviewed annually: Standing Orders, Financial Regulations, Financial Risk Management and Internal Controls.
- No Evidence of the Asset Register
- No evidence of paylists, contracts of employment of HMRC deductions.
- Audit and Accounts Regulations require up to 5 years audit and accounts files on the website.
- At the Annual Parish Council Meeting in May (especially May 2023) the first item on the agenda MUST be the election of Chairman and the signing of the Declaration of Office of Acceptance.

- Minutes for 21/6/23 missing from the website.
- The Internal Audit Report was not discussed at the meeting 21/7/23.
- It appears nothing has been actioned from last Internal Audit Report

**Notes:**

The Council is required to publish certain information throughout the year as required in the transparency code for smaller authorities 2014. This has been the requirement since July 2015 and a copy is available here:
https://www.gov.uk/government/publications/transparency-code-for-smaller-authorities

The additional information needed are:

- Agendas for all meetings
- Minutes for all meetings, which must be published in draft within 28 days
- All items of expenditure over £100,
- Year-end documents
- Councillor responsibilities.
- Details of public land and building assets owned by the Parish Council.

| | |
|---|---|
| Total Receipts | £12,609.49 |
| Total Payments | £15,855.26 |
| | |
| Balance at 31/3/24 | £7983.23 |
| | |
| General Reserves | ? |
| Ring fenced CiL money | ? |
| Ear Marked Reserves | ? |

*Tina Newby* — 24th May 2024

Signed — Date