

Felthorpe Parish Council

Internal Audit Report Financial Year 2023-24

Prepared by Clare Morton
06 April 2024

I have completed an internal audit of the accounts for Felthorpe Longville 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, totals bank accounts –
	Is the cashbook regularly balanced?	Accounts updates given at 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	May 2023
	Date Financial Regulations last reviewed	May 2023

Risk management arrangements	Has a Responsible finance officer been appointed with specific duties?	Yes – Parish Clerk is RFO
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – all payments have accompanying invoice and are minutes
	Has VAT on payments been identified, recorded and reclaimed?	Yes – last claim Jan 24
	Is s137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	N/A General Powers of Competence in force.
	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 risk register updated July 2023, and minutes confirm asset inspection has also taken place.
	Is insurance cover appropriate and adequate?	Yes – copy of policy and schedule provided
Are internal financial controls documented and regularly reviewed?	Yes – policy last updated in May 2023.	

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?	Yes- November minutes
	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 – budget monitoring report to each meeting
	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 nearcash 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?	Not checked.
	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 – expense invoices seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – payslips provided

Internal control	Test	Observations
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?	Updated May 2023
	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
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	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 – invoices all present and included in expenditure spreadsheet
Procedural	Is eligibility for the General Power of Competence properly evidenced?	yes
	Have points raised on the last Internal Audit report been considered by council and actioned?	N/A
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

	Councillors' responsibilities detailed on website?	Yes
Internal control	Test	Observations
	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 – land published
Allotments only only	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 Council?	N/A

Summary of my recommendations:

No recommendations.

Internal Auditor

Clare Morton

06/04/2024