

# **Tivetshall Parish Council**

Internal Audit Report  
Financial Year 2023/24

Prepared by Sonya Blythe  
23 April 2024

I have completed an internal audit of the accounts for Tivetshall 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
	Is the cashbook regularly balanced?	Yes – reported 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	June 23 minutes
	Date Financial Regulations last reviewed	June 23 minutes
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, evidenced from invoice to minutes to bank account
	Has VAT on payments been identified, recorded and reclaimed?	Yes, separate column in cashbook, four claims received in year
	Is s137 expenditure separately recorded and within statutory limits?	Yes – unneeded due to holding GPOC *see recommendation
Have S137 payments been approved and included in the minutes as such?	Yes – October minutes	
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?	June 23 minutes
	Is insurance cover appropriate and adequate?	Liability cover adequate
	Are internal financial controls documented and regularly reviewed?	March 23 minutes

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?	2324 – approved in January 23 minutes  2425 – approved in December 23 minutes
	Has the precept been calculated from the budget and been approved?	2324 – recorded as £20755  2425 – recorded as £21585.20
	Does the budget include an actual completed year?	Prediction to end of current year *see recommendation
	Is actual expenditure against budget regularly reported to the council?	Yes, regular reports minuted
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes, all BACS payments
	Does the precept recorded agree to the Council Tax authority's notification?	Remittance £20755  Bank £20755
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?	Yes, checked previously
	Do salaries paid agree with those approved by the council?	Yes, payslips seen
	Are salaries above the National Living Wage/Minimum Wage?	Yes  National increment applied from December payroll
	Are other payments to employees reasonable and approved by the council?	Yes, expenses seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, payslips seen. Payments made to HMRC

Internal control	Test	Observations
Asset controls		Clerk enrolled in pension scheme from November, approved minutes September 23
	Does the council maintain a register of all material assets owned or in its care?	Yes
Bank reconciliation	Are the assets and Investments registers up to date? When were these last reviewed?	Yes, June 23 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes – £21k insured sum for Pavilion seems low *see recommendation
	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?	Reported each meeting
Year-end procedures	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, R&P
	Do accounts agree with the cash book?	AGAR £16984 Statements £13971.30
	Has a year-end bank reconciliation been undertaken?	Yes £13,971.30
Procedural	Is there an audit trail from underlying financial records to the accounts?	Yes, checked bank account against cashbook
	Is eligibility for the General Power of Competence properly evidenced?	Yes, May 23 minutes
	Have points raised on the last Internal Audit report been considered by council and actioned?	Update Standing Orders – yes Name policies in minutes when reviewing – yes, all included as appendix Organise annual asset check - yes
Transparency: For smaller councils	Minutes for whole year on website?	Yes

Internal control	Test	Observations
with turnover under £25,000	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Included within minutes
	Electors' rights advertised on website?	Yes
	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

### Summary of report:

Thank you to Alan for supplying all documentation so promptly.

- I have checked through your accounts and confirmed them against income and expenditure receipts, as well as against payments in your cashbook. Bank reconciliations are regularly carried out for the accounts.
- I have confirmed that your Financial Regulations and Standing Orders are up to date.
- I have noted that your VAT has been claimed within the past year
- I confirm that your payroll management meets requirements
- I have reviewed your budget setting process and noted that you provide Council with regular spend against budget information
- I have reviewed the AGAR against your year-end bank reconciliations and your accounts
- I have checked that your risk management is adequate

I have no concerns to raise and as such have signed the internal audit section of the AGAR.

### Notes / recommendations for 24/25:

S137 – Council confirmed in May 2023 that it holds the General Power of Competence. This power supersedes S137, and as such S137 should not be used in future. These payments can be recorded under your other budget categories, such as admin or grants, as required.

Insurance – the insured sum for £21k for the Pavilion seems extremely low for a rebuild cost. It might be that the rebuild responsibility falls to the management committee, but if it doesn't then I would recommend an insurance valuation of the building be carried out to check the insurance is adequate.

When budget setting it is best practice to have a complete budget year on the document for Council to see. For example when setting the 24/25 budget, you would have had a full year showing for 2223, then the estimate to the end of 2324, then the 2425 budget line for consideration. This helps to have a full summary of the financial position available.

*Sonya*

Sonya Blythe  
Internal auditor