INTERNAL AUDIT ON FLAX BOURTON PARISH COUNCIL FOR THE YEAR ENDING 31st MARCH 2024

Carried out by Andy Warren, Clerk/RFO to Brockley Parish Council

Internal Audit objective	***JPAG 2023 Practitioners Guide suggested checks*** *(delete where not relevant to this authority)*	**Findings**	**Recommendations/actions required**
A. Appropriate accounting records have been properly kept throughout the year. AND I. Periodic bank account reconciliations were properly carried out during the year	● *Ensure correct roll forward of the prior year balances* ● *Check a sample of financial transactions in cashbooks to* *bank statements, etc: the sample size dependent on the* *size of the authority and nature of accounting records* *maintained* ● *Ensure that bank reconciliations are prepared routinely, subject to independent scrutiny and sign-off by members* ● *Verify the year-end bank reconciliation and ensure accurate disclosure of the combined cash and bank balances in AGAR box 8*	- Amount brought forward is correct - sample invoices provided by Clerk have been checked against Minutes and the cashbook. - Bank reconciliation prepared and approved periodically. - Year end reconciliation verified.	No
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	● *Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation* ● *Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments* ● *Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements*	The Parish Council uses Lloyds Bank double authorisation facility. VAT claimed appropriately	No

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C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	● *Ensure that authorities have prepared, and formally adopted, an appropriate and comprehensive register of assessed risks, both regular and ad hoc* ● *Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' liability, fidelity / employees (including councillors) liability, business interruption and cyber security* ● *Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation* ● *Review the effectiveness of internal control carried out by the authority*	Risk assessment reviewed and updated by the Council in 2022 next review due 2025	No
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	● *Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable* ● *Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances* ● *Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances* ● *Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process* ● *Ensure that the precept received in the accounts matches the prior year submission*	The Budget has correctly been set, and actuals updated against it. Reserves kept at the correct level for the size of the parish council	No

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	form to the relevant authority and the public record of precepted amounts		
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	● *Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time* ● *Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income* ● *Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received/banked*	Income recorded correctly.	No
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT accounted for	*A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area.* ● *Review the systems in place for controlling any petty 30 cash and also cash floats (used for bar, catering, etc)* ● *Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held* ● *Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held* ● *Ensure that VAT is identified wherever incurred and appropriate* ● *Physically check the petty cash and other cash floats held* ● *Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings*	n/a	

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G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	● *Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract* ● *Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours* ● *Ensure that appropriate tax codes are being applied to each employee* ● *Where free or paid for software is used, ensure that it is up to date.* ● *For the test sample of employees, ensure that tax is calculated appropriately* ● *Check the correct treatment of Pension contributions* ● *For NI, ensure that the correct deduction and employer's contributions are applied:* ● ● *Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.*	Clerk provided breakdown of salary payments including HMRC for 2023-24. The total amount corresponds to the cashbook and the bank statements.	No
H. Asset and investment registers were complete and accurate and properly maintained	*Tangible Fixed Assets:* ● *Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets* ● *Physically verifying the existence and condition of high value, high risk assets may be appropriate* ● *Additions and disposals records should allow tracking from the prior year to the current* ● *Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals*	The Asset Register is kept and regularly updated. The total asset value is £30,936.	No

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	● *Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority*		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	*Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year.*	The income and expenditure figures correspond to the cashbook and the bank statement. Invoices and payments sampled back to the minutes where they were noted as authorized.	No
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	*IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000)* ● *the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline* ● *that it has been published, together with all required information on the Authority's website and noticeboard*	The authority exceeds criteria for Exemption and will seek Limited Assurance Review.	No
L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant	*IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.*	The required information displayed in the PC website.	No

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transparency code requirements			
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	*IAs should acquire / examine a copy of the required "Public Notice", ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection.* *IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR*	Yes	
N. The authority complied with the publication requirements for the prior year AGAR.	*IAs should ensure that the statutory disclosure/publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.*	Yes	
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	● *Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements* ● *that the council is the sole trustee on the Charity Commission register* ● *that the council is acting in accordance with the Trust deed* ● *that the Charity meetings and accounts recorded separately from those of thee council* ● *review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report*	n/a	
Minutes and supporting papers (JPAG 2023 item 4.21)	*Review all full authority and committee minutes (and supporting papers) to gain an overview of the authority's financial and governance controls, monitoring that no actions of a potentially unlawful nature are being considered or any such decisions have been taken and that approval of all minutes is in accordance with legislation.*	Minutes checked.	

Conclusion of Internal Audit on Flax Bourton Parish Council for the year ending 31st March 2024

Acting independently, I have carried out an Internal Audit of the policies and practices of Flax Bourton Parish Council, in order to enable positive response by the relevant assertion in Section 2 of the Annual Return for the year ending 31st March 2024.

I have carried out the checks detailed in this report, in order to provide assurance that the Parish Council's systems of internal control, assessment of risk and financial management and accounting are in place and that they are adequate in protecting the use of public money.

Name: Andy Warren
(Clerk/RFO – Brockley Parish Council)

Signed: *Andy Warren* Date: 24 April 2024