

# **Tidbury Green Parish Council**

## **Internal Audit Report for the Financial Year ending 31<sup>st</sup> March 2023.**

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2022/23.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on the 12<sup>th</sup> May 2023.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

### **Book Keeping**

- The financial totals as at 31 March 2022 have been brought forward accurately.
- The cashbook is up to date as at 31<sup>st</sup> January 2023.
- The calculations are correct.
- The amended internal control document was approved and minuted in April 2022.
- VAT is evidenced and the reclaim request sent in January.
- The payments have been checked and all were supported by invoices, authorised or minuted. (page 4).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- CIL funding was received in May 2022.

### **Due Process**

- Standing Orders were revised and approved in May 2022 and minuted.
- Financial Regulations are tailored to the council and were reviewed in January 2022 and minuted.
- There is no evidence of investments or loans.
- There has not been any orders for goods/services to date this financial year that require three quotations.
- There is no evidence of grants or rents.
- There is evidence that financial checks have been carried out by Councillors and this is minuted.

## **Tidbury Green Parish Council**

- An Equality and Diversity Policy is in place and was reapproved in February 2023.
- An RFO has been appointed.
- The Disclosable Pecuniary Interests Form have been completed for all Cllrs and all Councillors details are available on the SMBC website.
- Agendas are available on the website and always give at least 3 clear days' notice of the meeting.
- There is evidence that apologies are minuted.
- Purchasing authority is defined in the Financial Regulations.
- Declaration of members interests are minuted.
- A Councillor signs the bank reconciliations.
- TGPC complies with the Transparency Code for Smaller Authorities.

### **Risk Management**

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments are available and were approved in May 2022 and minuted.
- A Health and Safety Policy is in place and was reapproved in February 2023.
- Three quotes were sought before the annual insurance was renewed. Best value was achieved with a 5-year deal.
- There is a Lone Working Policy and Working From Home Policy in place, both were reapproved in February 2023.
- A Disaster Recovery Plan is in place and will be reviewed in March 2023.
- The Clerk advised that copies of key documents are kept and backed up.
- Minutes are consistently initialled and signed. Pages are identified.

### **Budget**

- The precept demand is approved and correctly minuted in November 2022.
- There is evidence that TGPC have considered the level of the precept.
- An annual budget is prepared, discussed, unanimously agreed by the council and minuted.
- Reserves are earmarked.
- Financial payments are added to the Agenda as an Appendix and the bank balance is regularly reported.

### **Payroll – Clerk/RFO**

- The Clerks Contract of Employment was updated and approved in December 2020. The contract is customised, signed by the Clerk and was reviewed in February 2023.
- The bank standing order arrangements for part payment of the Clerks salary were agreed in April 2022.
- There is evidence that a tax code has been issued.
- There is evidence that the PAYE/NI has been paid and approved.

## **Tidbury Green Parish Council**

- Agreement to pay Clerks salary via standing order for 31 hours is minuted. The remaining 49 contracted hours are paid by cheque with claimed overtime. The salary is compliant with minimum wage requirements
- There is evidence of current Employers Liability Insurance of £10 million and Public Liability of £12 million.
- The Disciplinary and Grievance Policies were adopted in February 2023.
- A Complaints Procedure was adopted in February 2023.

### **Asset Control**

- An Asset Register is kept with the value of individual assets as at 31<sup>st</sup> March 2023.

### **Bank Reconciliation**

- There is evidence of a bank reconciliation.
- Cheque stubs are completed correctly and initialled.
- There is evidence that this has been reviewed by Councillors and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

### **Banking and Investments**

- It was noted that the parish Council has two bank accounts: Tidbury Green Parish Council Account No XXXXX356 and Account No XXXXX372 which Councillors have agreed to keep open for future CIL funds. The account ending 372 is a deposit account that is currently unused with a zero balance. CIL funding of £5351.46 has been received into the account ending 356.

### **Year End Procedures**

- Year-end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

### **Misc**

- There were not any points raised/recommendations at the last audit.
- TGPC adopted the New National Code of Conduct in September 2021. There is evidence that all councillors have signed the Code of Conduct.
- TGPC is eligible for the General Power of Competence and this is minuted in February 2020.
- The Clerk informed me that files are backed up.
- The period for the exercise of public rights of the Councils records in 2021/22 was made correctly.
- The Council is registered with ICO until January 2024.
- A GDPR Action Plan has been reviewed in February 2023.

## **Tidbury Green Parish Council**

- TGPC do not use social media platforms except their website. A Social Media Policy is in place and will be reviewed annually in March.

For the year 2022/23 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
100625	C Kirby	855.35
100632	C Kirby	144.50
100643	Woodbourne Sports Club	1,000.00
100646	C Kirby	108.68
100659	HMRC	766.74
100668	Broxap Ltd	2,298.96

### **Conclusion**

It is my opinion that the various records and procedures in place for the Council provide a good standard of control and there are no recommendations for improvement.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

I would like to acknowledge the support and assistance provided by the Parish Clerk during the internal audit review.

**Eleanor Choudry, CiLCA, AAT**

**Internal Auditor**

12<sup>th</sup> May 2023