

# Tidbury Green Parish Council

## Internal Audit Report for the Financial Year ending 31<sup>st</sup> March 2024.

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 2023/24.

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 11<sup>th</sup> May 2024.

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 2023 have been brought forward accurately.
- The cashbook is up to date as at 31<sup>st</sup> December 2023.
- The calculations are correct.
- The amended internal control document was approved and minuted in July 2023.
- VAT is evidenced and the reclaim received.
- The payments have been checked and all were supported by invoices, authorised or minuted. (page 4). A cash payment of £135 is in the cash book but not the bank.
- Income recorded in the bank account was checked to those entries shown in the cashbook. There is £135 cash receipt in cashbook on 11/12/23 not in the bank.
- CIL funding was received in November 2023.
- **Recommendation:**
- **I recommend that:**
- **The Clerk explained that a cash payment of £135 was used for tips for the waiting staff at the Parishioners Christmas lunch and therefore the amount was not paid into the bank account. This was agreed and witnessed by councillors. Cash should be banked to provide an audit trail.**

# **Tidbury Green Parish Council**

## **Due Process**

- Standing Orders were revised and approved in July 2023 and minuted.
- Financial Regulations are tailored to the council but have not yet been reviewed in 2023/24. New regulations have been released in May 2024.
- 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.
- An Equality and Diversity Policy is in place and will be reviewed in February 2024.
- 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.
  - The Risk Assessment was amended and approved and minuted in July 2023.
  - A Health and Safety Policy is in place and will be reviewed in February 2024.
  - A Home Worker Risk Assessment was completed in August 2023. The Assessment was approved and minuted in October 2023.
  - The annual insurance is in the 2<sup>nd</sup> year of a 5-year deal.
  - There is a Lone Working Policy and Home Working Policy in place, both are to be reviewed in 2024.
  - A Disaster Recovery Plan was reviewed in March 2022.
  - The Clerk advised that copies of key documents are kept and backed up.
  - Minutes are consistently initialled and signed. Pages are identified.
  - TGPC does not site assets on third party land.
  - The PC should have an email address that belongs to the council and to which the council has access, this ideally would be a .gov.uk or .org.uk address or an email address linked to the parish website.
- 
- To note:
  - Email addresses to comply with the new JPAG (Joint Practitioners Advisory Group) requirement.

# **Tidbury Green Parish Council**

## **Budget**

- The precept demand is approved and correctly minuted in December 2023.
- 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 December 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.
- 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 are to be reviewed.
- The Complaints Procedure is to be reviewed February 2025.

## **Asset Control**

- An Asset Register is kept with the value of individual assets as at 31<sup>st</sup> January 2024 and agreement was minuted in July 2023. A purchase of litter bins in 04/23 needs to be added.

## **Bank Reconciliation**

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

# Tidbury Green Parish Council

## **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 £23,870.92 has been received into the account ending 356. It has been agreed that TGPC will move to Unity Trust Bank and online banking in 2024/25.

## **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 May 2023.
- The Clerk informed me that files are backed up.
- The period for the exercise of public rights of the Councils records in 2023/24 was made correctly.
- The Council is registered with ICO until January 2025.
- TGPC do not use social media platforms except their website. A Social Media Policy is in place and will be reviewed in 2024.

For the year 2023/24 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
100685	Protec Eng Bham Ltd	744.00
100689	C Kirby	601.30
100690	C Kirby	196.47
100703	Zurich Municipal	373.39
100711	C Kirby	738.34
100716	T Mousley	593.28

## **Tidbury Green Parish Council**

### **Conclusion**

It is my opinion that the various records and procedures in place for the Council provide a good standard of control.

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**

11<sup>th</sup> May 2024