

# ***Great and Little Plumstead Parish Council***

Internal Audit Report

For Great and Little Plumstead Parish Council

Financial Year 2022/23

Including Explanatory Notes for Annual Return  
(where a 'no' has been marked)

Prepared by Catherine Moore  
21<sup>st</sup> May 2023

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I have completed an internal audit of the accounts for Great and Little Plumstead Parish Council for the year ending 31<sup>st</sup> March 2023. My findings are detailed below using the tests provided in the Governance and Accountability document. I would like to thank the Clerk / RFO for providing me with all the information required for the Internal Audit.

<b>Internal Control</b>	<b>Test</b>	<b>Observations / Recommendations</b>
Proper bookkeeping	Is the cash book maintained and up to date?	Yes
	Is the cash book arithmetically correct?	Yes
	Is the cash book regularly balanced?	Yes
Standing Orders, Financial Regulations, and Payment Controls	Has the Council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	May 2022
	Date Financial Regulations last reviewed	May 2022 – see recommendation
	Has a Responsible Financial Officer been appointed with specific duties?	Yes – Parish Clerk
	Have items or services above the de minimus amount been competitively purchased?	N/a
	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is S137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	Yes
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?	Yes
	Is insurance cover appropriate and adequate?	No – see recommendation

<b>Internal Control</b>	<b>Test</b>	<b>Observations / Recommendations</b>
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary Controls	Has the Council prepared an annual budget in support its precept and has this been minuted as being approved?	Yes
	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
	Has the Council agreed a General Reserve Policy and is this figure reflected in the 'free balance'?	Yes
	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 near-cash 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?	Yes
	Do salaries paid agree with those approved by the Council?	Yes – see observation
	Are salaries above the National Living Wage / Minimum Wage?	Yes

Internal Control	Test	Observations / Recommendations
	Are other payments to employees reasonable and approved by the Council?	Yes
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes
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?	Yes
	Does the 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 on the correct accounting basis? (Receipts and Payments <b>or</b> Income and Expenditure)	Yes – Receipts and Payments
	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
	Where appropriate, have debtors and creditors been properly recorded?	N/a
Procedural	Is eligibility for the General Power of Competence properly evidenced?	No adopted

Internal Control	Test	Observations / Recommendations
	Have points raised on the last Internal Audit report been considered by Council and actioned?	Some
Transparency: For smaller councils with turnover under £25,000	Are minutes for the whole year on the website?	N/a
	Are agendas for the whole year on the website?	N/a
	Are payments over £100 detailed on the website?	N/a
	Have electors' rights been correctly advertised on the website, including explanatory notes?	N/a
	Are councillors' responsibilities detailed on the website?	N/a
	Is the last financial year's Annual Return on the website?	N/a
	Are the land and building asset details on the website?	N/a
Councils that are Burial Authorities	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/a
	Have fees for the cemetery been reviewed and agreed by the Council?	N/a
	Were comparisons made with other cemeteries prior to setting the fees?	N/a
	Have burial books been kept up to date and are they safely stored?	N/a
Councils with Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	Yes
	Have fees for the allotments been reviewed and agreed by Council?	Not covered
Councils with Charities	Are all Charities up to date with Charity Commission filing requirements?	N/a
	Has the Council been named as Sole Trustee on the Charity Commission Register?	N/a

Internal Control	Test	Observations / Recommendations
	Is the Council acting in accordance with the Charity Trust Deed?	N/a
	Are the Charity meetings and accounts recorded separately from those of the Council?	N/a
General Data Protection Regulation	Has the Council adopted a Data Protection Policy?	Yes
	Has the Council put in place Privacy Notices?	Yes
Miscellaneous	Is the Council registered with the Information Commissioners Office?	Yes
	Does the Council's website meet accessibility requirements (random sample)	Mostly – see observation

### Summary of Recommendations:

As noted in previous years, the Council's Fidelity Insurance is set at £150,000 however the balance at the close of the year is £469,000. The Council should hold Fidelity Insurance to the value of the maximum money it could hold, therefore should consider moving this up to £500,000 as a minimum.

### Observations

The 2022/23 national salary scale review was not backdated to the first 7 months of the year, therefore the Clerk is owed a payment of £606.69 minus normal PAYE deductions.

The Council is required to have a website accessible to WCAG 2.1 standards. A random sample of the page <https://www.greatandlittleplumsteadparishcouncil.co.uk/> through WebAIM (<https://wave.webaim.org/>) shows two errors and 36 alerts including structural elements.

The Council did not correctly complete the audit for 2021/22. The Notice of Electors Rights did not include Page 2 of the Summary Notes; the Notice of Conclusion of Audit was not published; and the completed Page 6 of the Annual Return was not published. Therefore I must tick 'No' to box N of the internal audit report.

I would like to thank the Clerk for a well presented set of accounts and audit documents.

Signed:.....

Date: .....

## **Notes to accompany the Internal Audit Report – for PKF Littlejohn**

**Statement M** – the Notice of Electors Rights did not include Page 2 of the Summary Notes; the Notice of Conclusion of Audit was not published; and the completed Page 6 of the Annual Return was not published.

Catherine Moore  
Internal Auditor  
21<sup>st</sup> May 2023