Congham Parish Council

Internal Audit Report

For Congham Parish Council

Financial Year 2021/2022

Including Explanatory Notes for Annual Return

Prepared by Mrs Jo Raby, 17.05.2022

I have completed an internal audit of the accounts for Congham Parish Council for the year ending 2022.
My findings are detailed below using the tests provided in the Governance and Accountability (England) 2019.

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

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
	Has the council formally adopted	Yes

	Standing Orders and Financial Regulations?	
	Date Standing Orders last reviewed	May 21
	Date Financial Regulations last reviewed	May 21
	Has a Responsible finance officer been appointed with specific duties?	Yes the acting Clerk is also the responsible Finance Officer.
	Have items or services above the de minimus amount been competitively purchased?	Yes minuted that quotes are requested and compared for competitive pricing.
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – All payments are minuted on the website.
	Has VAT on payments been identified, recorded and reclaimed?	No VAT to claim
	Is s137 expenditure separately recorded and within statutory limits?	Yes - separate line in spreadsheet for S137 monitoring
	Have S137 payments been approved and included in the minutes as such?	Yes minuted
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?	No - See note
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Minuted review on a yearly basis
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – Minuted December 21, item 211107
	Has the precept been calculated from the budget and been approved?	Yes – Minuted January 22, item 2201-7.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes payments agreed at meetings.
	Are there any significant unexplained variances from budget?	No - see note
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?	No Petty cash held
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to	N/A

	each council meeting?	
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes standard NALC
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	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
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there 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 - sent to councillors bi-monthly
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	None held
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cashbook?	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?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes
	Have points raised on the last Internal Audit report been considered by council and actioned?	Some points have been implemented with a change of clerk.
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Within minutes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes

	Last financial year's Annual Return on website?	No - See note
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A
Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A

Summary of my recommendations:

To produce a risk assessment document which is adequate and up to date, suggested adopting a NALC policy, this is a live working document and should be reviewed and minuted regularly.

To update standing orders and financial controls, again adopting NALC documents.

To ensure the website is updated with the following:

Last Year's annual return
This year's electors rights
Financial regulations
Standing orders
Risk Assessment
Risk Management

Noted the varience on clerking costs, explained due to handover with new clerk.

Mrs Jo Raby 17/05/2021

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Signed Date