

Internal Audit Report for Leigh-on-Mendip Parish Council – 2022/2023

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £21180.72

Expenditure: £24142.11

Reserves: There is no reserves policy in place

AGAR Completion:

Section One: No

Section Two: Yes

Annual Internal Audit Report 2022/23: Yes

Certificate of Exemption: Yes

Proper book-keeping

Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts
All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year end accounts. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Financial regulations

Standing Orders and Financial Regulations
Appropriate payment controls including acting within the legal framework with reference to Council minutes Identifying VAT payments and reclamation
Standing Orders in place: Yes reviewed 16th May 2022
Financial Regulations in place: Yes reviewed 16th May 2022
VAT reclaimed during the year: Yes
Registered: No
General Power of Competence: Yes, approved 16th May 2022

Risk Assessment

Appropriate procedures in place for the activities of The Council
Compliance with Data Protection regulations
Risk Assessment document in place: Yes
Data Protection registration: Yes
Privacy Policy published: Yes
Insurance was in place for the year of audit.
The Council did not carry out a review of internal controls as per standing orders, would recommend that a statement of internal control is carried out.
Invoices are initialled by signatories.
The Clerk provides financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions.
Fidelity Cover: £150,000
The level of Fidelity cover is within the recommended guidelines .
Transparency Code Compliance for smaller councils with income/expenditure under £25,000.
Smaller authorities should publish on their website from 1 April 2015:
Smaller Council: Yes

Website: leigh-on-mendip.org.uk

The Council needs to display all the required information on its web site to comply with The Transparency Code.

Budgetary Controls

Verifying the budgetary process with reference to Council minutes
Good budgetary procedures are in place. The 2022-2023 precept was agreed at Full Council. The Clerk ensures The Council is aware of its responsibilities, commitments, and forward planning. Budget papers are prepared to ensure Councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Income controls

Precept and other income, including credit control mechanisms: All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.

The Council discussed and approved the precept at its meeting on the 19th December. The Clerk submitted the request to Mendip District Council 21st December.

Petty Cash

The Council does not operate a petty cash book.

Payroll controls

PAYE and NIC in place where necessary.

Compliance with Inland Revenue procedures

Records relating to contracts of employment, also employed as burial clerk in place

PAYE system in place The Council continue to operate RTI in accordance with HMRC regulations.

Asset control

Inspection of Asset Register and checks on existence of assets cross checking on insurance cover. The total value of assets are recorded at £26891.00 The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements: All were in order.

Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Reserves

General Reserves policy not in place, would recommend drawing up a Reserves Policy

Year-end procedures

Appropriate accounting procedures are used and can be followed through from working papers to final documents Verifying sample payments and income

End of year accounts are prepared on a Receipts & Payments basis.

Sole Trustee

The Council is not a sole trustee, box 11a on AGAR needs to be completed

Internal Audit Procedures

The Internal Audit report for 2021/2022 was considered by the Council at a meeting held on 25th April 2022. Angela Pearce was

appointed Internal Auditor for 2022/2023 at a meeting held on 17th October 2022.

External Audit

The Council is exempt from The External Auditor's
As it holds a Certificate of Exemption

Additional Comments/Recommendations

The Annual Parish Council meeting was held on 16/5/2022, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders. There was a Councillor vacancy within the year, The Clerk displayed the notice of vacancy, but this was not reported to The Council and included in the minutes. There are no additional comments/recommendations to make in relation to this audit. I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work

Angela Pearce
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11th April 2023