

INTERNAL AUDIT REPORT

FOR

**CHADWICK END
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2022 - 2023

Prepared by: Bill Robinson

Issued June 2023

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with The Responsible Financial Officer of Chadwick End Parish Council

This report has been prepared solely for Chadwick End Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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Chadwick End Parish Council Internal Audit

The Internal audit was undertaken commencing on the 16th June 2023 with the Parish Clerk/RFO.

Accurate book keeping

- Income and expenditure entries to the spreadsheet were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

For year 1st April 2022 to 31st March 2023

Current Account

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	6	£1167.17	BHIB	36/22
BACS	10	£75.00	Haimes	36/22
BACS	14	£180.00	DM Payroll	52/22
BACS	18	£300.00	EDF	52/22
BACS	24	£355.20	Fairways	69/22
BACS	30	£187.80	W.Robinson	69/22
BACS	33	£49.81	Everflow	81/22
BACS	39	£300.00	EDF	81/22
BACS	47	£17.21	Fortress	92/22
BACS	49	£75.00	Robson	92/22
BACS	58	£72.96	Wicksteed	106/22
BACS	71	£240.00	PKF L'john	106/22
BACS	80	£48.70	Everflow	118/22
BACS	95	£355.20	Fairways	118/22
BACS	104	£17.00	A.Bullivant	006/23
BACS	113	£18.00	Unity Trust (charges)	006/23
BACS	115	£350.00	S.Farbakash	017/23
BACS	120	£355.20	Fairways	017/23
BACS	123	£3352.56	Trim Accoustics	017/23
BACS	132	£300.00	EDF	Next mins
Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	137	£14.42	IPL	Next mins

BACS 140 £355.20 Fairways Next mins

All payments were found to be matched to the individual invoice and minutes
All other payment audit trails proved satisfactory

It was noted that all payments are now made electronically and the acronym BACS covers all forms of electronic payments (Direct Debits, Standing Orders etc.)

Year End Accounts

The year end accounts for the financial year 2022-2023 were checked and found to be arithmetically correct across all accounts to the figures shown.

Receipts and payments

These were checked and found to be correct, with all income properly banked correctly, and matched to the relevant bank statement.

Income Control

It was noted that there all receipts received including the precept were paid directly to the Chadwick End Parish Council bank account.

It was noted that bank standing orders and direct debits are used correctly, this is good practice (see note above)

Budget Controls

It was noted that a proper bank reconciliation by the Clerk/RFO on a monthly basis for Cllrs consideration– this is good practice.

As last year it was noted that Chadwick End Parish Council now has a corporate credit card to make payments and these are listed separately on a monthly financial report from the Clerk/RFO – this recording separately is a good idea. It would be in the Parish Council’s interest to have a defined policy for the usage of this card.

It was noted in minute 92/22 ii that the Parish Council has approved a 3 year budget plan – good practice.

It was noted in minute 106/22 that the Parish Council has reviewed its hall hire charges – this review is good practice

It was noted in minute 118/22 that a draft budget for the financial year 2023-24 will be discussed at the January 2023 meeting of the Parish Council, with the Clerk/RFO to produce a current expenditure against the current budget to assist the 2023-24 discussions – good practice to determine how the current expenditure compares to the existing budget.

It was noted in minute 006/23 ii that a budget and precept level for the financial year 2023-24 was reviewed and approved.

Loans

It was noted that no loans were raised by the Parish Council

Petty Cash

It was noted that Chadwick End Parish Council does not operate a petty cash scheme, and this information will be forwarded to the External Auditor.

Agendas

It was noted that all agendas were properly constructed, dated, and signed by the Clerk, thus making them a lawful summons.

Public Rights of Inspection

It was noted that notification of these rights were properly posted on the noticeboards– this is a statutory requirement.

Minutes of the Parish Council meetings

All minutes were checked, and found to be satisfactory with no evidence of any unusual activity, however it was noted that although all minutes were properly signed by the Chair on the last page, all other pages were not initialled. This is a statutory requirement and the Parish Council should review Local Council Administration para 7.40, and Local Government Act 1972 Sch 12 para 41(i)

It was noted in the minutes of the Annual Meeting of Chadwick End Parish Council that a Chair and Vice Chair were properly elected however it is unclear in the minutes that they actually signed the Acceptance of Office declaration – this signing of acceptance is a statutory requirement.

It was noted in minute 002/23 that a new Councillor was formally co-opted to the Council, however it is unclear the Acceptance of Office requirement was carried out. (see above).

Financial Regulations

It was noted in minute 95/22 that the Financial regulations were approved. It might be in the Parish Council's interest to look at the latest NALC model set

Standing Orders

It was noted in minute 95/22 that the Standing Orders were updated and approved- It might be in the Parish Council's interest to look at the latest NALC model set

Asset Register

The register was seen and the value of assets matched Box 9 of the AGAR and was in line with the insurance value.

Internal and External Audit Review

It was noted in minute 69/22 ii that the annual internal audit for the financial year 2021-22 was received and reviewed by the Council and approved with no further actions required, the Council congratulated that Clerk/RFO

It was noted in minute 69/22 iii that the annual Governance and Accounting Statements for the financial year 2021-22 were approved

It was noted in minute 106/22 b that the external auditors report for the financial year 2021-22 was received.

Insurance

It was noted in minute 017.23 that the Parish Council determined to agree to a three year arrangement with BHIB for insurance purposes – it is good to use a multi - year agreement for financial gain.

Payroll

It was noted that DM Payroll deals with all administration of the payroll for Chadwick End Parish Council ensuring that all relevant taxes and NICS are paid – it is good to have an independent source provide this function.

Risk assessment

It was noted in minute 39/22 that a review by a Councillor suggested some changes to this document, and two further Councillors will review for further changes required and bring to the Council for approval.

Sec.137 Payments

It was noted that no payments were made under this power.

It was noted that the Parish Council approved a poppy wreath for the RBL on poppy day, however the Parish Council has no power to make that payment except that it should have been properly made under Sec. 137 arrangements. It was also noted that the Council accounting spreadsheet has no dedicated Sec. 137 payment cost centre, the Clerk/RFO should add the Sec 137 cost center to the spreadsheet making sure that all payments under this power are shown and totalled given that the amount payable under Sec.137 has clearly defined limits.

Parish Council Policies

It was noted in minute 95.22 that the following Parish Council policies were approved:- Health and Safety Policy; Complaints Policy; Equal Opportunities Policy; Equality and Diversity Policy; Freedom of Information Policy; Councillors Expenses Policy.

It is good practice to review all policies regularly.

General Power of Competence

It was noted that there are now enough elected Councillors for the acquisition of this power, the Council should consider whether it will encourage the Clerk to complete CiLCA.

Parish Council Meetings

It was noted in minute 023/23 that Chadwick End Parish Council agreed the dates for the seven meeting in the financial year 2023-24, it is good practice to let parishioners know well in advance when the Council meeting will be held.

Conclusion

Whilst undertaking the Internal Audit, it is apparent that the Clerk is carrying out her responsibilities to the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are not criticisms as such; rather they are only issues for Chadwick End Parish Council to consider.

It will be noted that in the Internal Audit Report 2022/23 of the AGAR Return 2021/22 Part 3 the internal auditor marked item F and K as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Chadwick End Parish Council it means that there is no petty cash, and that Item K is not applicable to Chadwick End Parish Council. A letter to Moore to that effect has been added by the internal auditor

This concludes the Internal Audit.

Signed.....
W.J.Robinson



Dated... 19th June 2023