

INTERNAL AUDIT REPORT

FOR

**CHADWICK END
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2023 - 2024

Prepared by: Bill Robinson

Issued May 202

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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 6th May 2024 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 2023 to 31st March 2024

Current Account

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	132	£300.00	EDF	35/23
BACS	140	£355.00	Fairways	35/23
BACS	19	£306.00	WALC	58/23
BACS	21	£372.60	Fairways	58/23
BACS	37	£300.00	EDF	58/23
BACS	42	£1042.56	DCT Electrical	72/23
BACS	61	£305.28	IPL	72/23
BACS	72	£82.99	Lloyds Bank	84/23
BACS	81	£252.00	Moore	84/23
BACS	89	£200.00	EDF	84/23
BACS	91	£1390.00	Steaming Sam	006/24
BACS	102	£631.97	DCT Electrical	006/24
BACS	116	£372.60	Fairways	006/24
BACS	121	£372.40	Fairways	Next minutes
BACS	131	£15.00	A.Bullivant	Next minutes
BACS	135	£141.00	Murkin	Next minutes

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 2023-2024 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 for the financial year 2023-2024, with all income properly banked, and matched to the relevant bank statement.

Income Control

It was noted that there all receipts received during the financial year 2023-24 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.

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 84/23 ii that a draft budget for the financial year 2024-25 was discussed by the Parish Council– good practice.

It was noted in minute 006/24 ii that a budget and precept level for the financial year 2024-25 was reviewed and approved, - good practice to formally approve the budget.

It was noted in minute 35/23 that regular Direct Debit and other payments for the financial year 2024-25 were approved - good practice to detail all regular payments for the forthcoming year.

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,

It was noted in the minutes of the Annual Meeting of Chadwick End Parish Council that a Chair and Vice Chair were properly elected.

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 75/23 that the Financial Regulations were approved.

Standing Orders

It was noted in minute 75/23 that the Standing Orders were approved.

Asset Register

It was noted in minute 21/24 iii that a draft asset register was approved 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 50/23 ii that the annual internal audit for the financial year 2022-23 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 50/23 iii that the annual Governance and Accounting Statements for the financial year 2022-23 were approved

Insurance

It was noted in minute 21/24 that the Parish Council insurance renewal was approved, with the Clerk/RFO to seek a possible multi year arrangement. – 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.

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Sec.137 Payments

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

Parish Council Policies

It was noted in minute 75/23 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.

Appraisal

It was noted in minute 41/23 I that a date for the Clerk/RFO appraisal would be arranged with the Chair/Vice Chair.

Cllr. Responsibilities

It was noted in minute 24/24 that areas of responsibility for individual Cllrs were approved.

It was noted in minute 004/24 that approaches have been made to individuals with a view to co-option as a Parish Councillor

It was noted in minute 18/24 that a new Cllr was formally co-opted onto Chadwick End Parish Council, with the Acceptance of Office properly signed and retained by the Clerk

Parish Council Meetings

It was noted that Chadwick End Parish Council now meets on a bi-monthly basis.

Outside Bodies Representation

It was noted in the minutes 34/23 that Cllrs were formally appointed to sit on outside bodies on behalf of Chadwick End Parish Council – good practice to formally appoint.

Play Equipment

It was noted that in addition to the annual inspection, individual Cllrs undertake a fortnightly inspection and record the findings – this is good practice.

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