

WICKHAM ST PAUL PARISH COUNCIL INTERNAL AUDIT 2023/24

A Proper Bookkeeping

- Is the cash book maintained and up to date?

Yes. Excel spreadsheet with several worksheets is maintained and updated each month. The separate worksheets for payments and receipts have columns to analyse the transactions by type. Totals are used to create the actual v budget comparison (Average Spend Worksheet) through the year. Worksheets entitled SOFA, Year End Rec and Annual Return use formulae to take figures from the Payments and Receipts tabs to create the year end accounts. The VAT reclaim tab is a control on payments column AC and is used to formulate the annual VAT claim.

- Is the cash book arithmetic correct?

Formulae are in place to control the cross-cast totals

- Is the cash book regularly balanced?

The formulae ensure that the cash book balances.

B Financial Regulations, Standing Orders and Payment Controls

- Has the council formally adopted standing orders and financial regulations?

Yes. Standing Orders and Financial Regulations were adopted at the meeting 23 May 2023 (minute 23/067).

- Are other policies in place?

Yes. The suite of policy documents were adopted at the meeting on 23 May 2023 (minute 23/067). Policies are on the Wickham St Paul PC website.

*[Policies & Procedures – Wickham St. Pauls Parish Council
\(wickhamstpaulsparishcouncil.org\)](http://wickhamstpaulsparishcouncil.org)*

- Has a Responsible Financial Officer been appointed with specified duties?

Yes. The clerk is also the RFO: this is specified in the job title and description of responsibilities. The council confirmed the clerk as its RFO at the meeting 23 May 2023 (minute 23/065).

- Have items or services above a de minimis amount been competitively purchased?

Financial Regulations (4.1) enables clerk, in conjunction with chairman, to approve items up to £500 and (4.5) enables clerk to approve spend up to £500 in cases of extreme risk to the council. Financial Regulation 11.1h specifies 3 estimates are needed for amounts £100 to £3000 and 3 quotes for amounts £3000 to £25,000. The implication is that tenders are required for contracts over £25,000 which agrees with section 18 of SO. All payments in the year are for less than £3000 which is the limit for estimates in FR 11.1h.

- Are payments in the cash book supported by invoices, authorised and minuted?

Financial Matters item in each month's minutes includes list of payments for approval and a monthly budget statement which is received and noted. The list shows the payee, reference of Cheque/DD/SO and amount (including VAT).

Invoices are validated on receipt by the clerk and entered into the payments worksheet. The amount is added to the list of payments on the agenda, a cheque written and the cheque number marked on the source document. The clerk takes the cheque book, source documents, payments list and actual v budget (Ave Spend worksheet) summary to the meeting. Two signatories place their initials on the payments list, the cheque stub and the source document as authorisation.

- Has VAT on payments been identified, recorded and reclaimed?
Yes. *The unclaimed VAT of £1474.04 for 2022/23 was received on 10 May 2023 (minute 23/076.3). VAT is recorded in a separate column in the 'payments worksheet'. Items are cut and pasted into the VAT reclaim tab where Suppliers VAT number is added. Total VAT on payments in 2023/24 (per payments column AA) is £568.74 which will be reclaimed in 2024/25.*
- Is s137 expenditure separately recorded and within statutory limits?
The council adopted the General Power of Competence at its meeting on 23 May 2023 (minute 23/062).

C Risk Management

- Does a scan of the minutes identify any unusual activity?
Vacancy and co-option (minutes 23/056, 23/117); WSP Consolidated Trust (minutes 23/093, 24/010), Fireworks Event (minute 23/091), Xmas Lights Event (minute 23/092), Deed of Covenant for access across council land (23/078).
- Do the minutes record the council carrying out a risk assessment?
Yes. *Strategic Risk Assessment together with risk assessments for fireworks, Litter picking and COVID risk assessments, approved at Meeting 23 May 2023 (minute 23/067).*
- Is insurance cover appropriate and adequate?
Yes. *Third year of a 3-year policy with BHIB renewal 1 June 2023 to 31 May 2024 (minute 23/063). Cover for Property Damage, Money, Business interruption, employers' liability, public and products liability, fidelity guarantee, libel and slander, official's indemnity, personal accident and legal expenses. Property damage cover includes assets not owned by the council (Gates and fences, war memorial, sports equipment). I can't see an endorsement on the policy for management of events but the risk assessment says that the insurer is contacted. I would recommend checking cover for the Trafalgar Night Fireworks Event as part of the insurance renewal this year.*
- Are internal financial controls documented and regularly reviewed?
The council receives monthly budget statements to compare actual against budget which is minuted e.g. minute 24/033.2. Cheque book stubs and source documents are initialled. Assets are inspected by the handyman. There is no petty cash: the only cash handled is the banking from the Firework Event. The risk assessment says this is not a ticketed event so I assume this cash is from donations. It would be useful to have something in the risk assessment about cash collections and safeguarding cash. The engagement of payroll services provides a level of control over salary payments. Councillor authority is needed to amend the monthly pay Standing Order. Bank reconciliations have not been signed off this year. This is a requirement of Financial Regulation 2.2 and needs to be put in place each quarter in 2024/25.
- Are all risks identified and actions undertaken to mitigate risks?
The strategic risk register has columns for risk level, description of the identified risk, and management of risk and actions taken. The assessment is comprehensive in scope. Some of the actions are undertaken by the handyman e.g., number 4 'council does an annual inspection of its property' and number 14 'seats and shelters inspected regularly' and weekly inspections of the play area, reporting anything that needs repairing. However there is no documentary evidence to support that this is done. The handyman is being made redundant and some thought will need to be given to completion of this task moving forwards and how the actions can be evidenced (perhaps using the asset

register as the basis for a checklist). I understand that the intention is that one of the councillors will be appointed at the May 2024 meeting take on this role. The minutes include confirmation of actions being undertaken e.g., confirmation of bank signatories (minute 23/060); checking the defibrillator and reporting to Webnos (Community Heartbeat Trust) (minute 23/066), reviewing the findings of the ROSPA inspection (minute 23/090), requiring a risk assessment for events occurring on the Village Green (minute 24/030). The Matters Arising item on the minutes is used to track ongoing issues and ensure actions are completed.

D Budgetary Controls

- Has the council prepared an annual budget in support of its precept?
Yes. At the meeting on 28 November 2023 the council agreed a budget of £20974 and at the meeting on 30 January 2024, a precept of £16800
- Is actual expenditure against the budget reported to the council?
The cash book includes an 'Average Spend' worksheet that takes figures from the Payments and Receipts worksheets, compares those actuals against the budget and shows the difference as the remaining budget. Councillors see this worksheet each month as a standing agenda item and note its contents.
- Are there any significant unexplained variances from budget?
Budgeted Income £14110, actual £17008, the difference being VAT refunds, street scene payment and funds for the oak tree. Budgeted Expenditure £19421, actual £17773 (ex vAT), the difference being mainly underspends on Election costs, IT support and Tree works.

E Income Controls

- Does the council have sources of income other than precept and VAT refunds?
BDC street scene, Oak tree, fireworks income and interest.
- Is income properly recorded and promptly banked?
Only cash re the fireworks, which was taken to the bank at Sudbury as soon as practicable. All other receipts by direct credit
- Does the precept recorded in the cash book agree to the district council's notification?
Yes. Precept total £14110 received as 2 x £7055 from BDC in April & Sep 2023.
- Are security controls over cash adequate and effective
Cash handled as a result of Firework Event. Chair counted it, clerk recounted and agreed amount.

F Petty Cash Procedures No Petty cash is held. (Financial Reg 6.21)

G Payroll Controls

- Do salaries paid agree with those approved by the council?
Yes. The clerk was employed for 10 hours a week on band 18 and a handyman for 2 hours a week on band 9. The national pay awards were noted at the November meeting (minute 23/127) and back pay calculation implemented by the payroll provider. The clerk is paid by SO each month with a cheque to adjust to the correct salary. The SO has remained unchanged throughout the year. At the personnel committee meeting 28 February 2024, a spinal point increase was approved for the clerk (to band 20) from 1st April 2024 (minute 24/021). At the meeting on 26 March 2024, it was agreed that the Handyman role was to be made redundant (minute 24/036.1). It is not known if any HR advice will be taken

in respect of the redundancy process, but is recommended if the handyman has been in employment for 2 years.

- Are other payments to the clerk reasonable and approved by the council?
Yes. The clerk receives a monthly expenses cheque which is reimbursement for items such as ink, paper, stamps, envelopes etc. The clerk also receives a monthly home office allowance of £22.50 which is part of the taxable salary. This will be increased by 25p wef 01/04/24 (minute 24/021).
- Has PAYE / NIC and pensions been properly operated by the council as an employer?
Payroll services are provided by Richard Edwards Group. The council resolved to continue with this provider at their meeting on 26 March 2024 (minute 24/037). The clerk receives the payslip and a P32 showing amount payable to HMRC. A wages tab is also kept on the cash book for both the clerk and the handyman salary. The clerk has opted out of auto enrolment for pension (minute 24/021). The handyman is not eligible for automatic enrolment and has not opted in. The 3 year declaration to the Pensions Regulator was completed in June 2022.
- What controls exist over management of staff time and duties?
Clerk and handyman appraisals were undertaken by the Personnel committee on 28 February 2024 (minutes 24/018 and 24/020). Clerk keeps a time sheet which the councillors initial each month alongside the expenses claim. Peaks and troughs in workload are managed within the weekly hours. The handyman keeps a timesheet and reports to the chairman. The Handyman is paid the same amount each month but builds up hours in the summer and does less in the winter.

H Asset Control

- Does the council keep an asset register of all material assets owned?
Yes. The asset register was approved at the meeting on 23 May 2023 (minute 23/077). The register has columns for cost b/f, additions, removals, cost c/f and replacement cost. It is organised into sections for land, street furniture, play equipment and office equipment.
- Is the register regularly updated?
Register is updated annually for year-end return. The AGAR figure brought forward from 31/03/23 is £42158. There are no purchases over £300 to add to the register and no disposals so the closing AGAR at 31 March 2024 is £42158.
- Do asset insurance valuations agree with those in the asset register?
The policy schedule for the 2023 renewal showed property damage declared values for Office contents £7500, Street furniture £32345, Gates and fences £7500, Play equipment £131771, War memorials £20000, Mowers and Machinery £5000, Sports Equipment £5000. This includes classes of assets that are not owned by the council but are standard cover with BHIB. For assets owned by the council, the insured values are greater than the 'replacement values' in the asset register.

I Bank Reconciliation

- Is there a bank rec for each account?
Yes. A combined reconciliation for the 4 bank accounts at the year-end: 2 Nat West current accounts and 2 Nat West deposit accounts.
- Is the bank rec carried out regularly on receipt of statements?

Yes. *The Payments worksheet has a 'cleared' column to enable easy reconciliation.*

- Are there any unexplained balancing entries in any reconciliation?

There are 8 uncleared cheques on the current account, 6 relating to March 2024, but 2 dating from Sep / Oct 2023, both with the same supplier. The clerk will make contact and offer to reissue the cheques in 2024/25.

J Year End Procedures

- Are year end accounts prepared on the correct accounting basis (R & P / I & E)?
Yes. R & P basis
- Do accounts agree with the cash book and working papers?
Yes. Formulae on the SOFA worksheet extract figures from the Payments & Receipts worksheets. These are used to create the annual return worksheet figures.
- Is there an audit trail from underlying financial records to the accounts?
Yes, excellent. Source documents are marked with the cheque number and initials of the signatories, and filed in date order
- Where appropriate, have debtors and creditors been properly recorded?
Not needed in R&P accounts.

K Council Exempting itself from a limited assurance review

- Did the council meet the criteria?
Yes. Gross income and gross expenditure in 2022/23 were less than £25000.
- Was the exemption certified at a meeting?
Yes (minute 23/076.2)
- Was the appropriate notice displayed?
Yes. Certificate of Exemption completed and displayed.

L Web page Publication

The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities. [Finance – Transparency Code for Small Authorities – Wickham St. Pauls Parish Council \(wickhamstpaulsparishcouncil.org\)](https://wickhamstpaulsparishcouncil.files.wordpress.com/2023/05/finance-transparency-code-for-small-authorities-wickham-st-pauls-parish-council.pdf)

M Public Rights in Summer 2023

The council agreed the dates for the period for the Exercise of Public Rights commencing 5 June 2023 and ending 14 July 2023 and displayed the notice <https://wickhamstpaulsparishcouncil.files.wordpress.com/2023/05/exercise-of-public-rights-2022-23.pdf>

N Publication of Annual Return 2022/23

The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).

https://wickhamstpaulsparishcouncil.files.wordpress.com/2023/05/agar-2022-2023-20230525_0001.pdf

O Trustees

- If the council is a trustee, has it met its responsibilities?
Not applicable