

## Whittingham Parish Council – Internal Audit 2022/23

	<b>Control Objectives</b>	<b>Agreed?</b>	<b>Evidence</b>																																																																																				
A	Appropriate accounting records have been properly kept throughout the financial year.	Yes	<p>The Clerk maintains a computerised cash book, which is updated regularly and reported to Committee on a quarterly basis along with a comparison of progress against budget.</p> <p>For each payment the cash book records the transaction date, payee, method of payment, minute number, expenditure type, gross, net and VAT amounts. For receipts, the precept, grants, VAT and other income are itemised separately.</p>																																																																																				
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes	<p>The Council's Financial Regulations were updated and adopted on 8<sup>th</sup> February 2021. Standing Orders were updated and adopted on 13<sup>th</sup> July 2020.</p> <p>The orders require each payment to be authorised by the Council and minuted. Cheques and on-line payments are required to be authorised by 2 members of the Council and approved for payment at the next available parish meeting. Most payments are made online. There are two direct debits set up for electricity and website costs.</p> <p>The following selective assessment of 9 payments (10%) has been checked and found to be in compliance with the Council's financial regulations:</p> <table border="1"> <thead> <tr> <th>Pmnt No</th> <th>Date</th> <th>Payee</th> <th>Amount</th> <th>Invoice Recorded in A/cs</th> <th>VAT Amount</th> <th>Minuted</th> <th>VAT correctly reclaimed</th> </tr> </thead> <tbody> <tr> <td>9</td> <td>23/5/22</td> <td>Goosnargh &amp; Longridge Agricultural Show</td> <td>£250.00</td> <td>✓</td> <td>£0.00</td> <td>12/5/22</td> <td>N/A</td> </tr> <tr> <td>18</td> <td>30/5/22</td> <td>BHIB Insurance</td> <td>£791.68</td> <td>✓</td> <td>£0.00</td> <td>12/5/22</td> <td>N/A</td> </tr> <tr> <td>28</td> <td>18/7/22</td> <td>HMRC</td> <td>£140.00</td> <td>✓</td> <td>£0.00</td> <td>14/7/22</td> <td>N/A</td> </tr> <tr> <td>36</td> <td>23/8/22</td> <td>E-on</td> <td>£18.23</td> <td>✓</td> <td>£0.87</td> <td>8/9/22</td> <td>✓</td> </tr> <tr> <td>44</td> <td>6/10/22</td> <td>The Sign Maker</td> <td>£174.04</td> <td>✓</td> <td>N/K</td> <td>13/10/22</td> <td>N/K</td> </tr> <tr> <td>54</td> <td>17/11/22</td> <td>Goosnargh Tennis Club</td> <td>£11,880</td> <td>✓</td> <td>£0.00</td> <td>10/11/22</td> <td>/N/A</td> </tr> <tr> <td>63</td> <td>19/12/22</td> <td>Wicksteed Leisure Ltd</td> <td>£144.00</td> <td>✓</td> <td>£24.00</td> <td>10/11/22</td> <td>✓</td> </tr> <tr> <td>72</td> <td>16/1/23</td> <td>Nurture Landscapes Ltd</td> <td>£564.00</td> <td>✓</td> <td>£94.00</td> <td>12/1/23</td> <td>✓</td> </tr> <tr> <td>87</td> <td>5 payments</td> <td>Goosnargh Village Hall</td> <td>£114,901.02</td> <td>✓</td> <td>£0.00</td> <td>9/3/23</td> <td>N/A</td> </tr> </tbody> </table>					Pmnt No	Date	Payee	Amount	Invoice Recorded in A/cs	VAT Amount	Minuted	VAT correctly reclaimed	9	23/5/22	Goosnargh & Longridge Agricultural Show	£250.00	✓	£0.00	12/5/22	N/A	18	30/5/22	BHIB Insurance	£791.68	✓	£0.00	12/5/22	N/A	28	18/7/22	HMRC	£140.00	✓	£0.00	14/7/22	N/A	36	23/8/22	E-on	£18.23	✓	£0.87	8/9/22	✓	44	6/10/22	The Sign Maker	£174.04	✓	N/K	13/10/22	N/K	54	17/11/22	Goosnargh Tennis Club	£11,880	✓	£0.00	10/11/22	/N/A	63	19/12/22	Wicksteed Leisure Ltd	£144.00	✓	£24.00	10/11/22	✓	72	16/1/23	Nurture Landscapes Ltd	£564.00	✓	£94.00	12/1/23	✓	87	5 payments	Goosnargh Village Hall	£114,901.02	✓	£0.00	9/3/23	N/A
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			There were no new <u>net</u> purchases in excess of £5,000 in 2022/23 requiring 3 tenders. (Payments for tennis club lights and the village hall roof were grants made from CIL monies)
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	<p>The Council maintains a comprehensive risk management policy statement which is reviewed annually. The activities of the Council do not present any significant risks. The 2022 risk management policy and risk register were approved on 9th March 2023.</p> <p>The Council has adequate insurance cover as follows:</p> <p>Public Liability        £10m  Employer liability       £5m  Fidelity guarantee    £250k (Highest balance £503k)  Officials Indemnity    £500k  Libel                        £250k  Property damage       Replacement cost.</p> <p>It is recommended that the Council review the level of fidelity guarantee insurance to cover the highest balance.</p>
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	<p>The annual precept for 2022/23 was based on a comprehensive budget; expenditure for 2022/23 in most areas was in line with budget. The clerk has reported progress against budget to the Council on a quarterly basis.</p> <p>Reserves at the year-end were £385,104. Excluding the Community Infrastructure Levy funds of £348,643, there were general reserves of £36,461 which represents 166% of the 2022/23 annual precept.</p> <p>This is a healthy position, however, it is suggested that the Council review the appropriateness of the level of reserves compared to the precept.</p>
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	<p>All income has been received by BACS which is best practice.</p> <p>The Council submits a VAT return annually. The VAT identified in section B above had been correctly reclaimed, with the exception of payment 44. This payment has been made on a statement and it is unclear if the payment included VAT. A subsequent invoice to the same supplier (payment 64) did include VAT. It is recommended that a VAT invoice be</p>

			obtained for this payment if applicable and any VAT paid be added to the next VAT return.										
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes	<p>The Council does not have petty cash. The Clerk keeps a record of all expenses incurred on Parish Council business and reclaims the amount periodically.</p> <p>The expense claim of £64.65 reimbursed on 18/7/22 was checked against the Clerk's contract of employment. There was no VAT incurred on the expenses.</p> <p>Mileage allowance claimed at 45ppm and the home working allowance are not taxable.</p>										
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes	<p>The Clerk's hours are agreed at 12 hours per week with effect from November 2018. The scale of annual remuneration is effective from November 2015. The payment for November 22 was checked and is in accordance with current NALC pay scales (effective from 1/4/22) and the Clerk's contract of employment.</p> <p>PAYE is calculated using HMRC software. PAYE and NI are deducted at source and paid to HMRC along with Employers NI. Statutory employer returns have been submitted to the HMRC on-line. The council is exempt from the workplace pension scheme this exemption has been registered.</p>										
H	Asset and investments registers were complete and accurate and properly maintained.	Yes	<p>The cemetery benches purchased in year have been added to the asset register. These have been gifted to Homes England and consequently have been added to the asset register as a community asset at a notional cost of £1.</p> <p>The current asset register was approved by the Council on 9<sup>th</sup> March 2023.</p>										
I	Periodic bank account reconciliations were properly carried out during the year.	Yes	<p>The Clerk reconciles the accounts to the bank statements on a regular basis.</p> <p>Balances at 31/3/23 reconcile to the accounts:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td>Account 1</td> <td style="text-align: right;">12,571.41</td> </tr> <tr> <td>Account 2</td> <td style="text-align: right;">32,403.99</td> </tr> <tr> <td>Public Sector Deposit Fund</td> <td style="text-align: right;"><u>339,948.64</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>385,104.04</u></td> </tr> </table>		£	Account 1	12,571.41	Account 2	32,403.99	Public Sector Deposit Fund	<u>339,948.64</u>		<u>385,104.04</u>
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J	Accounting statements prepared during the year were prepared on the	Yes	Year end accounts have been prepared on a receipts and payments basis and agree to the cash book. The Clerk has maintained a comprehensive and well organised file, which										

	correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.		along with the Councils minutes, provide a full and detailed audit trail.  The Clerk has produced a statement of variances to submit with the accounts to the external auditor.
K	If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt.	Not covered	
L	The authority published the required information on a website / web page up to date at the time of the internal audit in accordance with the relevant legislation.	Yes	The Council's website is free to access and the 21/22 accounts, expenditure analysis and external report are published and easily accessible.
M	In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and / or authority approved minutes confirming the dates set).	Yes	The notice of public rights for 2021/22 is published on the Council's website.
N	The authority has complied with the publication requirements for 2021/22 AGAR (See AGAR page 1 guidance notes)	Yes	2021/22 AGARs are published on the Council's website.
O	(For local councils only) Trust Funds (including charitable) – The council met its responsibilities as a trustee.	N/A	

**Signed**

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SANDRA WISEMAN ACMA CGMA

**Date**

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28/5/23