

# **Monks Kirby Parish Council**

## **Internal Audit Report for the Financial Year ending 31<sup>st</sup> March 2024**

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2023/24.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on 31<sup>st</sup> May 2024.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a “suggested approach to internal audit testing” covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

### **Book Keeping**

- The financial totals as at 31 March 2023 have been brought forward accurately.
  - The cashbook is up to date.
  - The calculations are correct.
  - Funds transfers between accounts need not be entered in the cash book.
  - VAT is evidenced. VAT of £3,178.44 has been reclaimed.
  - The payments have been checked and all were supported by invoices, authorised and minuted. (see page 5). Item £142.97 minute ref 1244 was minuted incorrectly as £147.97.
  - Income recorded in the bank account was checked to those entries shown in the cashbook.
  - Documentary evidence of receipts was shown on request.
  - The Council does not have the General Power of Competence.
  - S137 expenditure is recorded separately.
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- **Recommendation:**
  - **I recommend that:**
  - **Fund transfers are not entered in the cash book.**
  - **The accounts folder contains a Receipts section and the documentary evidence is filed.**

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## **Due Process**

- Adopted NALC Model Standing Orders were reviewed on 9/5/2023 and are available on the website.
- Adopted NALC Model Financial Regulations were amended and reviewed on 14/11/2023. They are tailored to the council and purchasing authority is defined.
- There is evidence of a loan to support street lighting upgrade to LED.
- There is evidence that monthly and quarterly financial checks have been carried out by Councillors and this is minuted.
- Purchases for goods/services have not been made this financial year that require 3 or more quotes to ensure best value/terms.
- An adopted Equality Rights Diversity Statement was reviewed in August 2023.
- An Equal Opportunities Policy was approved by Cllrs in August 2023.
- The Disclosable Pecuniary Interest Forms have been completed for all Cllrs and all Councillors details are on the Rugby Council website.
- Signed dated Agendas are available on the website and are always displayed at least three clear days prior to a meeting.
- Each month receipts/payments and balances are summarised and supplied to each Councillor at the meetings.
- The Parish Clerk signs and dates the bank reconciliations on a monthly basis to confirm that bank reconciliations have been carried out and the total of the bank account agrees to the cashbook totals.
- A Councillor signs and dates the bank reconciliations on a monthly basis to confirm that bank reconciliations have been carried out accurately as part of Parish Councillor Scrutiny role.
- There is evidence that apologies are minuted.
- Declaration of members interests are minuted.
- The PC does conform to the Transparency Code for 2022/23.

## **Risk Management**

- A scan of the minutes does not reveal any unusual activity.
- The Clerk informed me that the play equipment is checked by a councillor prior to meetings when any actions are reported. A safety check list is produced. The last Annual Play Equipment Inspection was carried out in November 2023.
- An adopted Health and Safety Policy was reviewed in October 2023.
- Hard copy minutes are consistently signed. Pages are identified. Minutes references are used consecutively across the year on agendas and minutes.
- Financial payments are listed on the agenda and minutes.
- The PC has a Risk Schedule that was reviewed in September 2023. There is no reference to risks associated with IT and data management.
- The annual insurance policy expires in May 2024. There is £12 million Public Liability and £10 million Employers Liability.
- A Lone Worker Policy was adopted in November 2023 and is available on the website.
- An Emergency Plan was adopted in July 2023 and is available on the website.
- The PC should have an email address that belongs to the council and to which the council has access, this ideally would be a .gov.uk or .org.uk address or an email address linked to the parish website

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- **Recommendation:**
- **I recommend that:**
- **Email addresses comply with new JPAG (Joint Practitioners Advisory Group) requirement.**
- **The Council needs to ensure it is effectively managing all of its risks. It should consider specifying IT and data management risks and the control arrangements operating. Examples of risk considerations e.g. ensuring the Council can gain access to the electronic data and information held, should the Clerk become unavailable.**

### **Budget**

- An annual budget is prepared, discussed and adopted by the council.
- There is evidence that Monks Kirby PC have considered the level of the precept.
- The precept demand is approved and minuted. The amount is not stated in the minutes.
- There is evidence of budget setting and reserves are earmarked.
- **Recommendation:**
- **I recommend that:**
- The precept amount is minuted.

### **Payroll – Clerk/RFO**

- A Contract of Employment is customised and signed.
- The Clerks contract was reviewed in October 2023.
- Payslips are produced using HMRC paye tools.
- There is compliance with Minimum wage requirements.
- **Recommendation:**
- **I recommend that:**
- A Grievance and Disciplinary procedure is drawn up and adopted.

### **Asset Control**

- An up to date Asset Register for 2023/24 is available on the website with the value of individual assets listed at cost.

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### **Bank Reconciliation**

- There is evidence of a bank reconciliation.
- Cheques, when issued, have the cheque stubs initialled and amounts, dates and payee are all correctly completed.
- There is evidence that the bank reconciliations have been reviewed by Councillors at meetings and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

### **Banking and Investments**

- It was noted that the Parish Council has Unity Trust bank account: Monks Kirby Parish Council Instant Access Account number XXXXXX63 and a current account number XXXXXX34 and account XXXXXX16.

### **Year End Procedures**

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

### **Misc**

- The Clerk informed me that all electronic files are backed up to the cloud as well as to an external hard drive.
- Dates for the arrangements for the public inspection of the Councils records were incorrect in 22/23.
- The Council is registered with ICO.
- The Council adopted the new LGA Model Councillor Code of Conduct 2020 in June 23.
- Last years internal audit recommendations have all been carried out except for the adoption of a Grievance and Disciplinary Policy.
  
- **Recommendation:**
- **I recommend that:**
- **Suggested example dates supplied by the external auditor for the Notice of Public Rights are used for 23/24.**

## **Monks Kirby Parish Council**

For the year 2023/2024 an audit trail of the following cheques was carried out:-

DATE	PAYEE	AMOUNT £
11/04/23	P Clegg	142.97*
10/05/23	E Hobson	85.00
13/09/23	Creative Landscapes	1420.00
10/10/23	MKVH	5000.00
13/12/23	P Clegg	66.99
12/03/24	J Dalby	50.00

### **Conclusion**

The internal audit has identified areas where improvements should be considered and recommendations have been made.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

I would like to acknowledge the support and assistance provided by the Parish Clerk during the internal audit review.

**Eleanor Choudry, CiLCA, AAT**

**Internal Auditor**

31<sup>st</sup> May 2024