

# Annual Internal Audit Report 2022/23

## RUNCTON HOLME PARISH COUNCIL

runctonholme.pc.norfolkparishes.gov.uk

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	/		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	/		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	/		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	/		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	/		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	/		
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.	/		
H. Asset and investments registers were complete and accurate and properly maintained.	/		
I. Periodic bank account reconciliations were properly carried out during the year.	/		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	/		
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. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	/		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	/		
M. In the year covered by this AGAR, the authority correctly provided for a 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).	/		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	/		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			/

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

12/05/2023

Name of person who carried out the internal audit

MRS JO BABY

Signature of person who carried out the internal audit

*J. Baby*

Date

12/05/23

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).**

# Runcton Holme Parish Council

## Internal Audit Report

For Runcton Holme Parish / Town Council

Financial Year 2022/2023

Prepared by Mrs Jo Raby, 15/05/2023

I have completed an internal audit of the accounts for Runcton Holme Council for the year ending 2023.

My findings are detailed below using the tests provided in the Governance and Accountability (England) 2021.

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes Monthly
Standing Orders,	Has the council formally adopted Standing Orders and Financial Regulations?	Yes

Financial Regulations and payment controls	Date Standing Orders last reviewed	July 22 - see note
	Date Financial Regulations last reviewed	July 22 - see note
	Has a Responsible finance officer been appointed with specific duties?	Yes – The Clerk is the RFO
	Have items or services above the de minimus amount been competitively purchased?	Yes – reference in minutes to quotes being obtained for competitive pricing.
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – each invoice signed, cheque numbers cross referenced and minuted.
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is s137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	Yes
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	July 22 – See note 1
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – Minute 192/22 iv January 23
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes
	Are there any significant unexplained variances from budget?	No all variances explained and documented
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	Yes
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A – no petty cash held
	Is petty cash expenditure reported to each council meeting?	N/A – no petty cash held
	Is petty cash reimbursement carried out	N/A – no petty cash held

	regularly?	
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – April 23
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes monthly
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cashbook?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Included in the minutes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's Annual Return on website?	Yes

	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A
	Have fees for the cemetery been reviewed and agreed by Council?	N/A
	Were comparisons made with other cemeteries prior to setting the fees?	N/A
	Have burial books been kept up to date and are they safely stored?	N/A
Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A

### Summary of my recommendations

I have agreed yes to all sections on the Annual internal Audit report as in my view the internal controls have been met and the risks are low.

**Note 1** – All policies reviewed and agreed at July 22 meeting however physical documents do not reflect that date. To ensure documents are up to date with review dates. - it is minuted that the policies need reviewing however the minutes do not reflect a review.

To minute that the risk assessment is reviewed and to update as and when necessary. The risk assessment is a working document which must be reviewed for effectiveness regularly.

Mrs Jo Raby

12/05/2023

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Signed

Date