

Internal Audit

Over Norton Parish Council

Year Ending 31 March
2023

Internal Auditor: Lisa Wilkinson

Summary Checklist Report

This internal audit report is based upon the Practitioners' Guide to Governance and Accountability in Local Authorities.

Internal Audit Summary Checklist Report for Over Norton Parish Council

Year Ending: 31 March 2023

Name of Council	Over Norton Parish Council	Name of Clerk to the Council	Katie Llewellyn
No. Of Councillors	5	Name of RFO	Katie Llewellyn
Quorum	3	Precept (for audit year)	£21715
Electorate	409	Gross budgeted income	£42956

1. Book-Keeping			Comments & Recommendations
1.1	Ledger maintained & up to date?	Yes	The accounts are kept on an Excel spreadsheet and show the full financial year. A separate column to identify S137 expenditure is required.
1.2	Arithmetic correct?	Yes	Checks of the accounting confirmed that the cashbook arithmetic was correct.
1.3	Evidence of internal control?	Yes	<ul style="list-style-type: none"> • Internal audit • Risk assessment • Budgetary control • Bank reconciliations
1.4	VAT evidence, recording and reclaimed?	Yes	The Council is able to recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT was made in May 2023 for the period 1/3/21 – 31/12/2022 for the t.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	See Detailed schedule in Compliance Testing Report. All payments are minuted. Recommend a phrase is added to each to the minutes, such as ‘ the payments were approved and will be authorised (or cheques signed) by Cllr and Cllr’ It is important to know who authorised the payments for an audit trail.
1.6	Is GPC expenditure separately recorded and within statutory limits?	No Yes	See S137 notes 3.8
1.7	Is GPC expenditure of direct benefit to the electorate?	Yes	All S137 expenditure incurred in the current financial year was in respect of activities relevant to the parish – donation to Poppy Appeal

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2. Due Process			Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes	The Council reviewed the Standing Orders in 1/9/2022. Latest version is being used.
2.2	Standing Orders reviewed at Annual Meeting?	Reviewed	Standing Orders were reviewed and approved at the September 2022 PC meeting. Recommend that either standing orders/financial regulations/policies are reviewed at the annual meeting in May or the standing orders are changed to state a different month when they will be reviewed.
2.3	Financial Regulations adopted?	Yes	Reviewed 9/3/23.
2.4	Financial Regulations properly tailored to Council?	Yes	The current Financial Regulations are based on the NALC model Financial Regulations; and tailored to the PC appropriately.
2.5	Equal Opportunities policy adopted?	Yes	Adopted 2/9/22
2.6	RFO appointed?	Yes	Katie Llewellyn is the RFO and was appointed in September 2021.
2.7	List of member's interests held?	Yes	WODC holds the list of member's interests as required.
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	The clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and on notice boards three clear days in advance of the meetings
2.9	Purchase orders raised for all expenditure?	Yes	Most orders for goods and services are made by or confirmed by email. This is implemented by the clerk as Proper Officer.
2.10	Purchasing authority defined in Financial Regulations?	Yes	The Financial Regulations (11.1h) stipulate the purchasing approval: when it is to enter into a contract of less than £25,000 in value for the supply of goods or materialsthe Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above [£100] the Clerk or RFO shall strive to obtain 3 estimates.
2.11	Legal powers identified in minutes and/or ledger?	No	Recommend legal powers are recorded on invoices.
2.12	Committee terms of reference exist and have been reviewed?	No	No committees are in operation.

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3. Risk Management			Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	No	Minutes are prepared for all meetings of the Council. No unusual financial activity was found in the minutes reviewed; Council minutes are available to view on the Council's website. Recommend (accessible) pdfs are uploaded to website
3.2	Is an annual risk assessment carried out?	Yes	The Council has a formal risk assessment policy in place covering many of the areas of risk the Council may be faced with. This needs to be reviewed annually. Recommend that the risk assessment is dated.
3.3	Is Insurance cover appropriate and adequate?	Yes	The level and range of insurance cover (£10m public) appears to be adequate for the size of the Council.
3.4	Evidence of annual insurance review?	Yes	The insurance is renewed annually in November. Insurance cover is currently placed with Aviva. The Clerk undertakes a review of insurances prior to renewal to ensure that best value is obtained in respect of service levels and premiums.
3.5	Internal financial controls documented and evidenced?	Yes	Stipulated in the Standing Orders, Financial Regulations and Risk Management and minutes
	Review of effectiveness of internal control	Yes	The review should be designed to assure the authority that it has maintained the standards of an adequate and effective internal audit of its risk management, control and governance processes. It should include, as a minimum, making an assessment of each of the following: <ul style="list-style-type: none"> • the scope of internal audit; • independence; • competence; • relationships with the clerk and the authority; and • audit planning and reporting.
3.6	Minutes initialled, each page identified and overall signed?	Yes	Minutes of all Council meetings are signed by the meeting chair and dated. Items are referenced by unique numbering system.
3.7	Regular reporting and minuting of bank balances?	Yes	Recommend bank balances are presented to Council at each meeting.
3.8	S137/GPC expenditure minuted?	No	£8.82 x 409 Electorates £3607.38 Minuting of S137 payments is a legal requirement. Recommend S137 is added to the relevant payments in the minutes and a column must be added to the accounts.

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4. Budget			Comments & Recommendations
4.1	Annual budget prepared to support precept?	Yes	A budget is prepared annually. Recommend separate income and expenditure columns are shown
4.2	Has budget been discussed and adopted by Council?	Yes	The budget for the financial year being audited was reviewed and approved by the Council at its November 2021 meeting.
4.3	Any reserves earmarked?	No	
4.4	Any unexplained variances from budget?	?	Recommend that actual vs budget figures are considered in October to reflect 6-month figures. This informs the budget process for the following year and ensures the budget is being adhered to for the current year.

4. Budget			Comments & Recommendations
4.5	Precept demand correctly minuted?	No	The precept demand of £21715 was forwarded to WODC by the deadline. Recommend that the actual amount is minuted.

5. Payroll - Clerk			Comments & Recommendations
5.1	Contract of employment?	Yes	Signed and minuted 28/06/2022
5.2	Tax code issued	Yes	
5.3	PAYE/NI evidence?	Yes	PAYE is paid quarterly as required. Note only 2 payments to HMRC appear on the accounts (April & May 22) due to overpayment the previous year
5.4	Has Council approved the salary paid?	Yes	

5. Payroll - Clerk			Comments & Recommendations
5.5	Other payments reasonable and approved by Council?	Yes	Expenses minuted correctly.

6. Payroll - Other			Comments & Recommendations
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6.1	Contracts of employment?	Yes	
6.2	Does the Council have employers' liability cover?	Yes	Held with Aviva
6.3	Tax code(s) issued?	Yes	
6.4	Minimum Wage paid?	Yes	Pay rise minuted November 2022
6.5	Disciplinary, Grievance & Complaints procedures in place?	No	

7. Asset Control			Comments & Recommendations
7.1	Does the Council keep a register of all material assets owned?	Yes	The Clerk is responsible for maintaining the asset register. £25,128 added to asset register – playground equipment.
7.2	Is the asset register up to date?	Yes	The asset register is up to date and reviewed annually.
7.3	Value of individual assets included?	Yes	All assets have an individual value on the asset register.
7.4	Inspected for risk and health and safety?	Yes	Assets are kept well maintained and minuted when necessary. New play equipment will be checked annually by ROSPA accredited inspectors.
7.5	Land and Building asset register?	No	Land included in the Register of Assets

8. Bank Reconciliation			Comments & Recommendations
8.1	Is there a bank reconciliation for each account?	Yes	The Council holds the following bank accounts, all of which were operating at the start of the financial year; Barclays Community Account 80679550 Barclays Premium Account 40679542
8.2	Reconciliation carried out on receipt of statement?	No	Recommend at least a quarterly bank rec is carried out (as per financial regulations)
8.3	Any unexplained balancing entries in any reconciliation?	No	
8.4	Is the bank mandate up to date?	Yes	Reviewed in November 22 Cheques require two signatories. There are three signatories on the mandate.

9. Year-End Procedures			Comments & Recommendations
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9.1	Year-end accounts prepared on correct accounting basis?	Yes	Day to day and year-end accounts are prepared on a Receipts & Payments basis.
9.2	Bank statements and ledger reconcile?	Yes	Accounts approved by Council May 2023
9.3	Underlying financial trail from records to presented accounts?	Yes	Recommend that a councillor is appointed to check end of year accounts before approval at council.
9.4	Where applicable, debtors and creditors properly recorded?	N/A	
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the AGAR (Annual Return)?	Yes	For year 2021-22, the AGAR was signed and minuted by Council on 26/5/2022. It is essential that the Annual Governance statement is agreed and signed first followed by the Accounting Statements. Please ensure that the minutes for May 2023 make clear that this process is carried out.

10. Miscellaneous		Comments & Recommendations	
10.1	Have points raised at the last internal audit been addressed?	Yes	Most points have been addressed – thank you Please ensure a separate S137 column is added to the accounts and S137 payments are specified as such in the minutes. Please produce actual vs budget report at least once during the financial year.

10. Miscellaneous		Comments & Recommendations	
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	Reviewed 1/9/22
10.3	Is eligibility for the General Power of Competence properly evidenced?		N/A
10.4	Are all electronic files backed up?	Yes	Records are kept securely at the home of the clerk. Electronic files are backed up regularly onto external storage
10.5	Do arrangements for the public inspection of records exist?	Yes	Notice of audit is displayed as per external audit instructions. Inspection of records can be undertaken as notified on the website. Relevant documents for 2021-2022 are published.

11. Charities		Comments & Recommendations	
11.1	Charities reported and accounted separately?	N/A	

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11.2	Have the Charity accounts been separately audited?	N/A	Not required.
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	N/A	

12. Burial Authorities			Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	N/A	PC is not a burial authority
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A	
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	N/A	
12.4	Do all internment of ashes have a certificate of cremation?	N/A	
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	N/A	

13. Income Controls			Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The precept was received in the following instalments and recorded in the accounts: April 2022: £10,402.50 (50% of annual precept). September 2022: £10,857.50 (50% of annual precept) The total precept received was £21715 as per the WODC notification
13.3	Are security controls over cash adequate and effective?	Yes	No cash is received.

14. Petty Cash			Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	No petty cash is used

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14.2	Is petty cash expenditure reported to Council?	N/A	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

15. Accessibility/Transparency		Comments & Recommendations	
15.1	<p>Are the following documents published on the website as per Transparency Code 2015:</p> <ul style="list-style-type: none"> • All items of expenditure above £100 • End of year accounts • Annual governance statement • Internal audit report • List of a councillor or member responsibilities • The details of public land and building assets • Minutes, agendas and meeting papers of formal meetings 	<p>No Yes Yes Yes No No Yes</p>	<p>Separate list of items of expenditure above £100 is required by audit regulations. Recommend list of a councillor or member responsibilities to be attached to councillor names on website.</p>
15.2	Is the website accessible as per The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018?	Yes	
15.3	Has an Accessibility Statement been published on the website?	Yes	

16. Freedom of Information/GDPR		Comments & Recommendations	
16.1	Is the Council registered with ICO?		<p>No payment listed for this financial year. Recommend this is set up as direct debit</p>
16.2	<p>GDPR:</p> <p>Freedom of Information scheme</p> <p>Data Protection policy</p> <p>Retention and Disposal of Documents policy</p> <p>Privacy Notice</p>	<p>Yes No No Yes</p>	<p>Recommend Data Protection and Retention and Disposal of Documents policies are adopted in line with GDP Regulations. Example policies can be provided or found on the OALC website if desired.</p>

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15.3	Are the above documents published on the Council's website?		Privacy Notice is displayed.
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17. Publication requirements for the prior year AGAR			Comments & Recommendations
17.1	Does the 'Public Notice' for the previous year clearly identify the statutory 30 working day period when the Authority's records are available for public inspection.	Yes	
17.2	Has the Council minuted the relevant dates at the same time as approving the AGAR?	No	Recommend that these are minuted.
17.3	Has the authority complied with the publication requirements for the prior year AGAR?	Yes	All documents are currently published on the website

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<u>Check No.</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>Transaction type</u>	Purchase invoice	Purchase invoice	Purchase invoice
<u>Supplier/Customer</u>	NBB Recycled Furniture	Proludic	Thomas Fox
<u>Invoice/Transaction No.</u>	3351349	SIN005491	35160
<u>Invoice/Transaction date</u>	8/8/2022	28/04/2022	28/9/2022
<u>Goods/services supplied</u>	Wheelchair access octagonal table	Playground equipment	Grass cutting
<u>Ledger date</u>	1/9/2022	28/7/2023	3/11/2022
<u>Item/Budget heading</u>	Misc	Play area	Grass
<u>Ref/cheque No.</u>	101320	101314	101325
<u>Authorised by</u>			
<u>Delivery evidence</u>			
<u>Payment minute ref</u>	1/9/2022	28/7/2022	3/11/2022
<u>Payment value</u>	891	38400.93	927.72
<u>Bank Statement value</u>	891	38400.93	927.72
<u>Payment Date</u>	1/9/2022	1/9/2022	3/11/2022
<u>Timely payment</u>	Yes	Yes	Yes
<u>VAT recorded</u>	Yes	Yes	Yes
<u>GPC recorded in ledger</u>	N/A	N/A	N/A
<u>GPC minuted</u>	N/A	N/A	N/A
<u>Notes</u>	Cllr authorisation needs to be minuted	Cllr authorisation needs to be minuted	Cllr authorisation needs to be minuted
<u>Pass</u>	Yes	Yes	Yes

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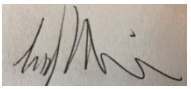
Any further comments

The overall internal audit assurance rating is: ADEQUATE.
 Please minute names of cllrs who sign cheques/online banking.
 Recommend that a timetabled review of all policies and procedures is set up to ensure they are up to date. The annual meeting in May is a good place to do this. Some will need reviewing annually, some bi-annually.
 Recommend that GDP Regulations are considered and policies adopted.
 Please include a column for S137 in the cash book.

Please note that receipt of this report must be minuted before the AGAR parts 1 & 2 are signed. Recommendations contained in this report must also be minuted. Subsequent actions that meet these recommendations can then be minuted as part of the effectiveness of internal control review which should take place before the end of 2023.

Acknowledgments

The help and co-operation of Katie Llewellyn, clerk/RFO to the Council is much appreciated by the internal auditor.

Internal audit carried out by	(signed)	(print)
		Lisa Wilkinson
Audit type (delete as appropriate)	INTERIM ANNUAL	
Date 29/5/2023		

For internal auditor's use only

Part 3 of Annual Return form completed and signed	Yes
Internal audit report/letter sent to Council	Yes

Year Ending: March 2023

RESTATED

2022/23 ANNUAL RETURN		Year Ending 31 March 2022	Year Ending 31 March 2023
1	Balances brought forward	31643	31299
2	Annual precept	20805	21715
3	Total other receipts	11222	21241
4	Staff costs	2222	3487
5	Loan interest/capital repayments	0	0
6	Total other payments	30149	54094
7	Balances carried forward	31299	16674
8	Total cash and investments	31299	17711
9	Total fixed assets and long-term assets	13032	38160
10	Total borrowings	0	0
11	The Council acts as a sole trustee for and is responsible for managing Trust funds or assets	NO	NO