

Internal Audit

Over Norton Parish Council

Year Ending 31 March

2024

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 2024

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)	£30694
Electorate	409	Gross budgeted income	£30694

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.
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 is made annually and was last made May 2024
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	<p>See Detailed schedule in Compliance Testing Report.</p> <p>Payments are minuted.</p> <p>Recommend that minutes state what each payment is for e.g. September 2023 minutes state 'Danny £60': it is unclear to whom and for what the payment is for.</p> <p>Payments are authorised by 2 councillors at meetings then one councillor currently authorises the payments with the bank. Financial regulations 6.4 state: Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of council in accordance with a resolution instructing that payment.</p> <p>Recommend reviewing the Council's bank and the financial regulations to ensure they correspond.</p>
1.6	Is GPC/S137 expenditure separately recorded and within statutory limits?	Yes	See S137 notes 3.8

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1.7	Is GPC/S137 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 on 1/9/2022. Recommend that these are reviewed every year AND when NALC release updates.
2.2	Standing Orders reviewed at Annual Meeting?		Standing Orders were reviewed and approved at the September 2022 PC meeting. Recommend that standing orders/financial regulations are reviewed at the annual meeting in May.
2.3	Financial Regulations adopted?	Yes	Reviewed 9/3/23. Please note new financial regulations have just been released.(available from NALC) Please ensure that these are adopted ASAP.
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.
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 was reviewed in March 2024. 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. The current insurance policy is held with Clear Councils
3.4	Evidence of annual insurance review?	Yes	The clerk gave her assurance that the insurance is reviewed annually in November. Please minute the review of insurance. As there is no 3-year long-term agreement, please ensure that 3 estimates are obtained (as per Financial Regulations item 11h) before each renewal and it is minuted which provider it is resolved to go with.
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	No	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.
3.7	Regular reporting and minuting of bank balances?	No	Recommend bank balances are presented to Council at each meeting.
3.8	S137/GPC expenditure minuted?	Yes	£9.93 x 422 electorate £4190.46 S137 payment minuted January 2024

4. Budget	Comments & Recommendations
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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 3/11/22 meeting.
4.3	Any reserves earmarked?	No	
4.4	Any unexplained variances from budget?	No	

4. Budget		Comments & Recommendations	
4.5	Precept demand correctly minuted?	Yes	The precept demand of £30694 was forwarded to WODC by the deadline.

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. All staff costs are minuted as staffing as per GDPR.
5.4	Has Council approved the salary paid?	Yes	

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

6. Payroll - Other		Comments & Recommendations	
6.1	Contracts of employment?	Yes	
6.2	Does the Council have employers' liability cover?	Yes	
6.3	Tax code(s) issued?	Yes	

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6.4	Minimum Wage paid?	Yes	Pay rise minuted November 2023
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
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 is 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 December 2023 bank reconciliation supplied
8.2	Reconciliation carried out on receipt of statement?	Yes	
8.3	Any unexplained balancing entries in any reconciliation?	No	
8.4	Is the bank mandate up to date?		Reviewed in November 22 Cheques require two signatories. There are three signatories on the mandate. Recommend this is reviewed and further signatories are added.

9. Year-End Procedures			Comments & Recommendations
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	

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9.3	Underlying financial trail from records to presented accounts?	Yes	
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 2022-2023, the AGAR was signed and minuted by Council on 22/6/2023.

10. Miscellaneous		Comments & Recommendations	
10.1	Have points raised at the last internal audit been addressed?	Partially	Please see Any Further Comments box below.

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. Archived records are stored at the village hall.
10.5	Do arrangements for the public inspection of records exist?	Yes	Notice of Public Rights is displayed as per external audit instructions. Inspection of records can be undertaken as notified on the website.

11. Charities		Comments & Recommendations	
11.1	Charities reported and accounted separately?	N/A	
11.2	Have the Charity accounts been separately audited?	N/A	
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	N/A	PC is not a burial authority

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	issued?		
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 2023: £15,347 (50% of annual precept). September 2023: £15,347 (50% of annual precept) The total precept received was £30,694 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
14.2	Is petty cash expenditure reported to Council?	N/A	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

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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>Yes Yes Yes Yes Yes No Yes</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	Recommend using a more comprehensive accessibility statement -NALC one attached.

16. Freedom of Information/GDPR		Comments & Recommendations	
16.1	Is the Council registered with ICO?		This is in the process of being set up.
16.2	<p>GDPR: Freedom of Information scheme Data Protection policy Retention and Disposal of Documents policy Privacy Notice</p>	<p>No No Yes</p>	<p>Freedom of Information scheme must be implemented. Recommend Retention and Disposal of Documents policy is adopted in line with GDP Regulations. Example policies can be provided or found on the OALC website if desired.</p>
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?	Yes	
17.3	Has the authority complied with the publication requirements for the prior year AGAR?	Yes	All documents are currently published on the website.

BIODIVERSITY DUTY

Public authorities who operate in England must consider what they can do to conserve and enhance biodiversity in England. This is the strengthened 'biodiversity duty' that the Environment Act 2021 introduces.

This means that, as a public authority, you must:

1. Consider what you can do to conserve and enhance biodiversity.
2. Agree policies and specific objectives based on your consideration.
3. Act to deliver your policies and achieve your objectives.

If this has not yet been considered please do it at your earliest convenience: SLCC has a model policy.

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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>	Royal British Legion	Simon Llewellyn	Solid Structures & Infrastructure
<u>Invoice/Transaction No.</u>	PA	01	7138
<u>Invoice/Transaction date</u>	N/A	16/11/2023	28/04/2023
<u>Goods/services supplied</u>	Wreaths x 2	Website	Structural engineering -village hall
<u>Ledger date</u>	15/1/2023	8/12/2023	11/05/2023
<u>Item/Budget heading</u>	S137	Misc	Misc
<u>Authorised by</u>	Cllr Harris	Cllr Harrison	Cllrs Pashley & Harrison
<u>Delivery evidence</u>			
<u>Payment minute ref</u>	January 2024	November 23	May 2023
<u>Payment value</u>	50	400	1138.50
<u>Bank Statement value</u>	50	400	1138.50
<u>Payment Date</u>			
<u>Timely payment</u>			
<u>VAT recorded</u>	N/A	N/A	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>			
<u>Pass</u>	Yes	Yes	Yes

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Any further comments

The overall internal audit assurance rating is: ADEQUATE.

Recommend that standing orders are reviewed every year / when NALC release updates.

As in last year's internal audit report recommend separate income and expenditure columns are shown in the budget. A full budget needs to show both income and expenditure.

Recommend using a more comprehensive accessibility statement -see the NALC model.

Recommend more detail in the meeting minutes. Whereas the minutes correctly show decisions rather than discussion, it would be useful to have more detail in them – if you read them as someone who was not at the meeting, do they make sense? Minutes should also be a formal record rather than notes. For example, January 2024 minutes state: *Charge will be £8 something a week.*

Recommend that the minutes state what each payment is for e.g. September 2023 minutes state 'Danny £60' which is unclear and not transparent.

Please minute the review of insurance undertaken each November. As there is no 3-year long-term agreement, please ensure that 3 estimates are obtained (as per Financial Regulations item 11h) before each renewal and it is minuted which provider it is resolved to go with

Recommend adding date of adoption and review to all policies.

Recommend legal powers are noted on either invoices or in ledger.

Recommend bank balances are minuted at least quarterly in the minutes for transparency.

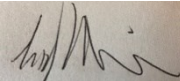
Freedom of Information scheme must be implemented.

The bank mandate and financial regulations require reviewing to bring them in line with each other.

Please ensure that a review of effectiveness of internal control is carried out in September/October (after the external audit report has been received) for financial year 2022-23.

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 15/5/2024		

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For internal auditor's use only	
Part 3 of Annual Return form completed and signed	15/5/2024
Internal audit report/letter sent to Council	15/5/2024

Section 2: Compliance Testing Report for Over Norton Parish Council**Year Ending: March 2024**

2022/23 ANNUAL RETURN		Year Ending 31 March 2023	Year Ending 31 March 2024
1	Balances brought forward	31299	17711
2	Annual precept	21715	30694
3	Total other receipts	22277	658
4	Staff costs	3487	3689
5	Loan interest/capital repayments	0	0
6	Total other payments	54094	12819
7	Balances carried forward	17711	32555
8	Total cash and investments	17711	32555
9	Total fixed assets and long-term assets	38160	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