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May 10, 2020

Mr P. Brooks

Clerk to Keswick & Intwood Parish Council

7 Lindford Drive

Norwich

NR4 6LT

Dear Chairman and Councillors,

Internal Audit Report to Keswick & Intwood Parish Council

For Year ended 31 March 2020

For the Attention of the Council

A. Appropriate accounting records have been kept properly throughout the year.

I have inspected the Council's records to 31st March 2020. I have examined your cashbook and found it to be accurately maintained, up to date, correct and regularly balanced. I have also examined your invoices, cheque books, paying-in books, bank statements and compared these to your Receipts and Payments account and your accounts in the Minute Book. All payments are recorded in the Minutes.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

I have examined your invoices as presented to me and note that they have been approved by the Council and VAT was properly accounted for. I have noted that all cheques are signed by a minimum of 2 councillors and the cheque stubs are initialled by the councillors authorising the payment.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Standing Orders and Financial Regulations adopted and Applied

I note that your Standing Orders and Financial Regulations were reviewed on 15th May 2019 and your Financial Regulations are up to date.

Risk Management Arrangements

I note that your Risk Management Arrangements have been reviewed on 15th May 2019.

Insurance

I have seen the Council's insurance policy with AXA Insurance dated 6th January 2020 and note that the cover runs from 17th January 2020 to 16th January 2021. The cover is adequate.

D. The Precept or Rates requirement resulted from an adequate budgetary process; progress against the Budget was regularly monitored; and reserves were appropriate.

I have had sight of the Budget for 2019/20 and Budget 2020/21 and confirm that the Precept was agreed through an adequate budgetary process. The budget was reviewed against actual and reserves are appropriate bearing in mind the proposed developments in Keswick and Intwood parish.

Section 137

There has been no Section 137 Expenditure.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Income Controls

I note that all income is recorded and banked properly, and the Precept agrees with the Parish Council's notification to the Council Tax authority. The Parish Council has very few cash transactions and adequate controls are in place to minimise any loss.

VAT Payments Controls

I confirm that all VAT expenditure has been recorded separately and reclaimed before the end of the financial year.

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.

Petty Cash Procedures

I note that the Parish Council does not operate a petty cash system.

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.

Payroll Controls

I have examined the PAYE records for staff and the Clerks Salary and expenses records. The Clerks salary and expenses have been approved by the Council and PAYE and NIC have been properly operated by the Council as an employer. I note that the payroll duties are undertaken by Ladywell.

The Clerk has been paid in accordance with the salary scales in his contract.

I note that the role of RFO is not included in the Contract of Employment and that the Clerk is appointed annually to this role. If this arrangement is to continue, I recommend that the Contract of Employment and Job Description be amended to include the role and duties of Responsible Financial Officer on a permanent basis.

H. Asset and investments registers were complete and accurate and properly maintained.

Asset Controls

I have examined the Council's Asset Register. I note there have been no new purchases or disposals this year and confirm that it is properly maintained.

I. Periodic and year-end bank account reconciliations were properly carried out.

Bank Reconciliation

I have examined the Bank Statements and the Receipts and Payments Book and confirm that there is a Bank Reconciliation for each account. The reconciliation is carried out monthly and explanations entered for any un-reconciled amounts or outstanding cheques. The total value of the investments is summarised on the reconciliation. The statements are checked each time by an appointed councillor.

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.

Year-End Procedures

I can confirm that the year-end accounts are prepared on a Receipts and Payments basis and that the accounts agree with the cashbook with an appropriate and adequate audit trail.

K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")

I note that the Council has completed the Annual Governance and Accountability Return 2019/20 Part 2 where the higher of gross income or gross expenditure was £25,000 or less and that the Council has correctly certified themselves as exempt from a limited assurance review.

L. The authority has demonstrated that during the summer 2019 it correctly provided the proper opportunity for the exercise of public rights as required by the Accounts and Audit Regulations.

I have examined your website and noted the records posted on the site. The council has correctly provided the proper opportunity for the exercise of public rights.

M. (For local councils only) Trust Funds (including charitable) – The Council met its responsibilities as a trustee.

The Council has no Trust funds.

Matters for the Council's Attention

There are three matters to bring to the attention of the Council.

1. **I note that the Clerk has been signing the Minutes. In accordance with your Standing Orders 12.c the Chairman of the meeting is required to sign the Minutes and not the Clerk.**
2. **During May 2019 you held two council meeting, the Annual Meeting of the Parish Council and an ordinary Parish Council Meeting. These do not need to be two separate meetings and all the business can be done at the Annual Meeting of the Parish Council. Just ensure that the first item on the agenda is always the election of the Chairman.**
3. **I note that the role of RFO is not included in the Contract of Employment and that the Clerk is appointed annually to this role. If this arrangement is to continue, I recommend that the Contract of Employment and Job Description be amended to include the role and duties of Responsible Financial Officer on a permanent basis.**

Your Clerk's accounts are excellently presented in a clear and precise manner and once again I would like to thank him for his help and co-operation in preparing for the Internal Audit during this very difficult time.

Yours sincerely,

Mrs A.E. Barnes FSLCC