

Great Milton Parish Council – Internal Audit Report (22-23)

In my role as internal auditor I have acted independently and on the basis of risk have carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority. The audit has been carried out in accordance with the authority's needs and planned coverage. I have assessed whether the control objectives were being achieved throughout the financial year to an appropriate standard to meet the needs of the authority.

Appropriate accounting records have been properly kept throughout the financial year:

Following on from last financial year GMPC have continued to use an electronic filing system through Dropbox which negates the need for paper files. All of the files have been organised into separate folders which follow a logical approach and which make it reasonably simplistic to find what is being looked for. All of the key accounting records have been separated accordingly into areas such as Cash Book, Fixed Asset Register and Budgets. These are all split by year and filed in chronological order which adds to the ease of finding them. It is fair to state that the appropriate accounting records have been kept throughout the financial year.

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

GMPC has again complied with the Financial Regulations 2021 set by NALC. All payments are supported by invoices which match to both the cash book and bank accounts. In terms of approval invoices are added to the shared files on Dropbox and approved at the next Parish Council Meeting who sign both the cheques written and invoice. VAT has been appropriately accounted for. The reclaimable VAT claim is backed up by an itemised list of VAT on purchases in 22-23.

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

The Council carries out an assessment of its risks on a yearly basis. The purpose of this is to assess the risks which may impact on the Council's activities or prevent it from meeting its objectives. The latest GMPC Risk Management document has just been uploaded onto Dropbox and will be presented for approval at the next meeting this month.

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate:

The budgetary process to calculate the precept for 22-23 meets the necessary requirements. A full review of previous year's income and expenditure is carried out at a granular level and assessed in terms of what the requirements are for the new financial year. In terms of the expenditure every line is assessed and a decision is made whether this needs to be increased or decreased or kept constant. Similarly for the revenue each line is reviewed to assess the impact. The precept claim can be fully backed up by the signed off budget documents stored on Dropbox.

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

I have reviewed a sample of payments received from customers. Expected income has been fully received and based on correct prices in terms of fixed rates charged for advertising etc. In terms of income being recorded all payments have been logged in the cash book and reconcile back to the bank statements. In addition there are copies of all sales invoices on the shared files which back up the figures on the cash book / bank statements so is a full audit trail. GMPC does not charge VAT on invoices so nothing to account for here.

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

As in previous years Council does not make petty cash payments so not applicable.

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly carried out:

In 22-23 there was a change in Council's Finance Officer. Tim Darch left in August 22. Chris Ashworth was appointed as Tim's replacement and started on the 15th August 22. Salaries and expenses paid are in line with the agreed budget and paid by cheque each month. Payments made are in line with the terms and conditions in the contract which have been saved in the shared files. PAYE and NI requirements were properly carried out. All payslips are saved in the shared files.

Assets and investment registers were complete and accurate and properly maintained:

The Council's Fixed Asset Register was updated in May 22. This lists all of the assets which are owned or in their care (with appropriate value). Total value of assets at this date was £14,729. This was a significant increase to March 21 when the last update took place and the value was £3,166. The increase in value can be attributed to the purchase of street furniture (£11,245). Given last update took place in May 22 this will need to be reviewed again for 23-24.

Periodic and year end bank account reconciliations were properly carried out:

GMPC has carried out periodic and year end bank account reconciliations. I have been able to reconcile the closing balance on the cash book to the bank account balance on 31st March 22 (£34,632). The opening balances on the cash book and the bank account also balance at 1st April 21 (£46,269). The movement between the opening and closing balances can be accounted for in the value of the in-year payments and receipts.

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agree to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded:

As in previous years GMPC has prepared its accounting statements during the year correctly on the receipts and payments basis (income and expenditure) rather than on the accruals basis. The statements agree to the cash book and are supported by an adequate audit trail. Where appropriate debtors and creditors have been properly recorded.

If the authority certified itself as exempt from a limited assurance review in 2022-23 it met the exemption criteria and correctly declared itself exempt:

Council did not declare itself as exempt as it did not meet the exemption criteria. The higher of its gross income or gross expenditure was more than £25k in 22-23.

The authority publishes information on a website / webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities:

Council has fully adhered to all of the requirements of the transparency code as requested for smaller authorities. All transactions over £100 are due to be uploaded to the website shortly.

The authority, during the previous year (2021-22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations

All of the information has been provided as required and made available for public use.

The authority has complied with the publications for 2022/23 AGAR

Council has fully required with this. Full AGAR report has been provided in full.

Summary

GMPC has once again demonstrated that it has good internal controls in place which ensure that the control objectives are being achieved throughout the financial year to an adequate standard required. There are some areas to be addressed such as an updated risk assessment and update to Fixed Asset Register but generally the Council is meeting its objectives in terms of internal control.

Matthew Hale

Internal Auditor

15-06-23