

BRINSWORTH PARISH COUNCIL

Internal Audit Report 2022/2023

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Background and Scope

All Town and Parish Councils are required by statute to make arrangements for an independent internal audit and for the conclusions to be reported each year in the Annual Governance and Accountability return (AGAR). The Parish Council has requested that Voluntary Action Rotherham provides this service, based on a letter of engagement agreed and signed by Council. The audit is not designed to identify all significant weaknesses in the association's systems but, if such weaknesses come to our notice during the course of our examination, which we think should be brought to your attention; we shall report them to you.

The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council. The audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as might exist.

In accordance with guidelines set out by the Governance and Accountability for Local Councils – practitioners' guide, our work plan consisted of an investigation to review whether the systems of financial and other controls over the Council's activities and operating procedures are effective. Areas covered by the testing included;

- Bookkeeping
- Due Process
- Risk management arrangements
- Budgetary controls
- Payroll control
- Petty cash
- Asset control
- Bank reconciliation
- Year-end procedures
- Miscellaneous

Findings

The internal audit was carried out off site, all records and evidence requested were provided by the Clerk either electronically or in paper format. The Clerk is new into post and I am pleased to note the points raised at the last audit have now been actioned.

I carried out detailed internal control testing and any audit recommendations have been agreed with the Clerk/RFO.

The following recommendations/points should be addressed:

Proper bookkeeping

The council maintains electronic financial software, this is regularly updated and arithmetically correct. VAT has been reclaimed quarterly and once in the final six months of the year.

The council should ensure all S137 expenditure is minuted.

Risk Assessment Arrangements

Minutes are brief and may trigger requests for freedom of information. Insurance levels are appropriate for the size of the council, the council should update the insurance valuations on the asset register in line with the policy values. There was no evidence of an annual insurance review, however the council accepted the quotation.

Budgetary Controls

The budget was discussed and adopted by council at the full council finance meeting. There is regular reporting of the budget against spend and reserves are earmarked and reviewed. The level of general reserves is below the three months running costs. The council has increased the precept for 23-24 and are looking where other savings can be made. Increase general reserves within proper practice of between 3 and 12 months.

Petty Cash

Petty cash spent is recorded and supported by VAT receipts, reimbursements are carried out regularly. There was no evidence that petty cash expenditure was re-posted to council.

Miscellaneous

The requirements of the Accounts and Audit regulations 2015 – Section 13 (2) (b) require Councils to display AGAR's for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website.

The Council failed to display section 1 and 2 of the AGAR for the year 2017-18 on their website, therefore I have been unable to answer 'yes' to control measure L.

Conclusion

I am pleased to conclude and report that the Clerk has maintained a good standard of record keeping which has simplified the audit process. I have confidence that the figures lifted into the Statement of Accounts for the financial year ended 31 March 2023 are accurate.

All of the controls contained within the internal audit section of the AGAR were examined the following non-compliance was found.

- 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.

All other key controls were found to be working satisfactory.