



LetchWood Business Management  
134 Witham Road,  
Black Notley,  
Essex CM77 8LN  
Tel 07932 144777 e-mail info@letchwood.co.uk

## **Internal Audit Report for Wickham Bishops Parish Council**

28<sup>th</sup> April 2023

I am pleased to report to Members of the Parish Council that I have completed my internal audit of Wickham Bishops Parish Council's records for 2022 – 2023 and I have been able to complete the Internal Audit report of the Annual Return for the year ended 31 March 2023 as required under the Accounts and Audit Regulations.

Members should be aware that my work cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against.

Using the LGA model code of conduct adopted 7<sup>th</sup> June 2022 at minute 22/096.

Annual governance reports approved May minute 22/075 and 22/076. Declaration of exemption minute 22/074.

The Council has adopted scribe software for accounting from April 2022. Regular reports are being received and the cashbook is being used to manage accounts. It is recommended that the council receives budget reports at least quarterly.

The Council has established a debit card with Equals Money which is being correctly accounted as a separate cashbook.

Internal Control	Testing		Comments
Proper bookkeeping	• Is the cashbook maintained and up to date?	Y	The Council has adopted the Scribe software package to manage finances.
	• Is the cashbook arithmetic correct?	Y	
	• Is the cashbook regularly balanced?	Y	Monthly reconciliations provided to Council.

a) standing orders and financial regulations adopted and applied; and  b) payments controls	Has the council formally adopted standing orders and financial regulations?	Y	Financial regulations and standing orders readopted at minute 23/056. Both are based on current NALC model regulations.
	Has a Responsible financial officer been appointed with specific duties?	Y	RFO role is defined in the Clerk's contract of employment which is based on the NALC model current at the time of appointment.
	Have items or services above the de minimus amount been competitively purchased?	N/A	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Y	
	Has VAT on payments been identified, recorded and reclaimed?	Y	Refund of £1,104.21 claimed for full year. Previous year's claim received May 2022.
	Is s137 expenditure separately recorded and within statutory limits?	N/A	No S137 expenditure reported in audit year.

Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	N	Regular reports of expenditure and reserves are received by Full Council.
	Do minutes record the council carrying out an annual risk assessment?	Y	Reviewed and approved in December 2022 at minute 22/201
	Is insurance cover appropriate and adequate?	Y	Premium of £423.47 is reasonable for the assets of the parish and provides standard cover by Zurich. The council correctly maintains a register of nominal values for the AGAR and adjusted values for the insurance claim.
	Are internal financial controls documented and regularly reviewed?	Y	Parish Council has a financial committee to consider precept and budget. Full Council receives monthly reports on budget, expenditure, and financial management. Financial controls and internal auditor's report considered and actioned at minute 22F/004
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Y	Updated 23/24 budget considered at Finance Committee minute 22F/006 and approved at Full Council minute 22/201.
	Is actual expenditure against the budget regularly reported to the council?	N	Budget reports are only received by the finance committee.
	Are there any significant unexplained variances from budget?	N	
Income Controls	Is income properly recorded and promptly banked?	Y	Council has limited sources of income, all of which are paid directly into the bank account.
	Does the precept recorded agree to the Council Tax authority's notification?	Y	2021-22 precept of ££21,545 agrees with PKF published figure. 2023-24 precept £22,536, based on a tax base 1003.5 of and a band D equivalent of £22.45.

	Are security controls over cash and near-cash adequate and effective?	N/A	No cash held.
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A	No petty cash held.
	Is petty cash expenditure reported to each council meeting?	N/A	
	Is petty cash reimbursement carried out regularly?	N/A	

Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Y	Contract based on NALC model current at the time of appointment. Signed 21 <sup>st</sup> May 2020.
	Do salaries paid agree with those approved by the council?	Y	External Payroll company employed. Salary follows current NALC/SLCC pay scales.
	Are other payments to employees reasonable and approved by the council?	Y	Reimbursement for travelling expenses, phone and office reported monthly. A one-off payment for study time was made at minute 22/201
	Have PAYE/NIC been properly operated by the council as an employer?	Y	Payroll managed by J&M Payroll Ltd.
Assets controls	Does the council maintain a register of all material assets owned or in its care?	Y	Asset register considered and updated at 22/201. There were no material changes.
	Are the assets and Investments registers up to date?	Y	Reviewed annually by finance committee and approved by full council.
	Do asset insurance valuations agree with those in the asset register?	Y	Same list.

Bank Reconciliation	Is there a bank reconciliation for each account?	Y	Two accounts held: Unity Trust current and deposit accounts.
	Is a bank reconciliation carried out regularly and in a timely fashion?	Y	Monthly
	Are there any unexplained balancing entries in any reconciliation?	N	
	Is the value of investments held summarised on the reconciliation?	Y	

Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Y	Cash accounting
	Do accounts agree with the cashbook?	Y	Accounts are the cashbook.
	Is there an audit trail from underlying financial records to the accounts?	Y	All income and expenditure fully traceable
	Where appropriate, have debtors and creditors been properly recorded?	N/A	