

FALDINGWORTH PARISH COUNCIL

Internal Audit Report.

This audit report is to read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return.

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

I have completed a thorough audit of Faldingworth Parish Council primarily limited to systems and procedures and financial balancing. I have not undertaken an in depth audit of the accounts but would be happy to do so if required.

From what I have seen I do not consider that such an audit is necessary.

PREVIOUS AUDIT

It was recommended that several policies were reviewed and/or adopted. This appears to have been completed but the 'new' policies are not dated.

TRANSPARENCY

Councillor Responsibilities, asset register and items of expenditure over £100 have not been made available on the website.

Recommendations:

Requirements as per Transparency Guide should be met.

ACCOUNTING

The Council use a basic spread sheet cash book system which is more than suitable for the number of transactions handled and is easy to use.

There have been no cash payments made. Cash receipts are taken and a cash handling policy is in place for such transactions.

Section 137 payments should be recorded separately (poppy wreath should be S137).

Some reports show personal names and these should be redacted to comply with GDPR requirements.

Payments and bank reconciliations are reported to Council at each meeting.

It doesn't appear that the actual spend is monitored against the budget and this should be undertaken at least quarterly.

There has been no VAT reclaims during the financial year.

Recommendations:

S137 payments analysed separately.

Redact any personal information (names) from reports.

Review actual spend against budget at least quarterly.

VAT Reclaim require submission.

GOVERNANCE AND DUE PROCESS

Agenda's correct and available.

Minutes correct and available.

Standing Orders were reviewed in November 2024 but the policy seen is undated. Financial regulations were last reviewed in July 2021. These are significantly out of date and require an urgent review.

Terms of Reference are available for the Staffing Committee but undated.

List of Members Interests are available on the website and held by the Clerk. One councillor is missing.

Acceptance of Office Declarations are held by the Clerk.

There is a Scheme of Delegation and internal control in place.

Fixed assets have been reviewed.

There is no Code of Conduct which requires adoption.

Recommendations:-

Financial Regulations need to be reviewed

Policies require dating.

Code of Conduct requires adoption

RISK MANAGEMENT

No unusual activity identified within the minutes.

Insurance has been reviewed and appropriate.

The Risk Management Policy / Register is thorough and last reviewed in November 2021 – requires review.

Bank balances are reported to meetings.

Bank mandate is currently under review with a change of bank.

The Clerk operates an adequate back up system for files although I would encourage an online system be used as the hard drive is held at the Clerks home.

BUDGET

Appropriate budget process completed in setting the precept.

The precept amount should be minuted.

Reserves adequate. Clerk advises that the general/earmarked reserves have been reviewed although this is not mentioned within the minutes.

PAYROLL

External provider handles payroll and inline with HMRC requirements.

ASSET CONTROL

Asset register has been reviewed.

This is not presently available on the website and should be available.

BANK RECONCILIATIONS

The bank account is reconciled regularly and report to each council meeting.

YEAR END PROCEDURES

No areas of concern.

Annual return correctly signed and submitted in previous year.

Notice of Public Rights correctly published.

SUMMARY

Other than the recommendations with some policies, particularly Financial Regulations being brought up to date and Risk Management, the council is managed well.

I would suggest that the VAT reclaim is also submitted sooner rather than later.

I'd also like to thank the Clerk for her co-operation and supplying information required to complete the audit in a prompt manner.

Carl Thomas

14th May 2025