Graveney with Goodnestone Parish Council
Internal Audit 2023/24
Explanations for 'No' answers, AGAR Form 2

Internal Control Objective:

D. Reserves are higher than recommended under JPAG guidelines, with no explanation. Precept received was not that approved by council.

G. Problems with payroll procedures during the financial year mean that it is not possible to be certain that pay was processed accurately and according to HMRC requirements.

H. Asset Register values do not correspond to value as stated in 2022/23 AGAR.

M. Period of Exercise of Public Rights for 2022/23 accounts was outside the legally-required period.

N. Publication of 2022/23 AGAR was after the legally-required deadline.

Graveney with Goodnestone Parish Council
Internal Audit Report Financial Year 2023/24

Internal Control	Test	Observations/Recommendations	Notes
Proper bookkeeping	Is the cash book maintained and up to date?	Yes	
	Is the cash book arithmetically correct?	Yes	
	Is the cash book regularly balanced?	Yes, reconciled monthly for council meetings.	
Standing Orders, Financial Regulations and Payment Controls	Has the Council formally adopted Standing Orders, Financial Regulations?	Yes.	
	Date S/Os last reviewed.	June 2023	SOs have been altered away from the legislation (eg, 5c, time is set in LGA1972, Sch12, s7(3) is 6pm, not 7.30pm). Suggest KALC be approached for latest SOs, and re-adopt.
	Date FinRegs last reviewed.	June 2023	Out of date (eg, 11.1.2). Suggest as above.
	Has a Responsible Financial Officer been appointed with specific duties?	Yes, the Clerk.	
	Have items or services above the *de minimis* amount (per FinRegs) been competitively purchased?	n/a	

	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is s137 expenditure separately recorded and within the statutory limit?	n/a	
	Have s137 payments been approved and included in the Minutes as such?	n/a	Query – Jan 23 Minutes mention a grant to the village hall in 23/24 of £50, which doesn't appear to have been paid.
Risk Management Arrangements	Does a review of the Minutes identify any unusual financial activity?	Yes.	'Village improvement' to a councillor with no other explanation.
	Do Minutes record the Council carrying out an annual risk assessment or review of their risk management scheme?	Yes	
	Date of Risk Assessment/Management Policy review and adoption	June 2023 review of 2007 adoption.	
	Is insurance cover appropriate and adequate?	Not known.	Under review.
	Are internal financial controls documented and regularly reviewed?	Not clear from Minutes.	Control policy in place.

Budgetary controls	Has the Council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes.	Precept received does not correspond with Precept approved for 2023/24.
	Has the precept been calculated from the budget and been approved?	Yes.	
	Does the budget include an actual completed year?	Not provided.	
	Is actual expenditure against budget regularly reported to the Council?	Not obviously.	
	Has the Council agreed a General Reserve Policy?	No.	Reserves are not clear – assumption appears to be that Reserves are the year end bank balances ie almost 200% of Precept. Supplementary Report refers.
	Are there any significant unexplained variances from budget?	Not known.	AGAR figures suggest variances on staff costs and payments need explanations.
	Where necessary, does the council have a formal Investment Policy?	n/a	
Income Controls	Is income properly recorded and promptly banked?	Yes.	
	Does the precept recorded agree to the Council Tax authority's notification?	No. Agreed Precept January 2023 £13,330. Precept received during 2023/24 £14,000	Explanation required.

	Are security controls over cash and near-cash adequate and effective?	n/a	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	n/a	
	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?	Yes.	
	Do salaries paid agree with those approved by the Council?	Yes.	
	Are salaries above the National Living Wage / Minimum Wage?	Yes.	
	Are other payments to employees reasonable and approved by the Council?	Yes.	
	Have PAYE/NIC been properly operated by the Council as an employer?	Not clear.	Full review is recommended.
Asset Controls	Does the Council maintain a register of all material assets owned or in its care?	Yes.	
	Are the assets and investments registers up to	No.	Figures do not correspond with AGAR. Update under way.

	date? When were these last reviewed?		
	Does the asset insurance valuations agree with those in the asset register?	Not known.	Under review.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to Council?	Yes.	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, monthly to council.	
	Are there any unexplained balancing entries in any reconciliation?	No.	
Year-end Procedures	Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments, or Income and Expenditure)?	Yes	
	Do accounts agree with the cash book?	Yes.	
	Has a year-end bank reconciliation been undertaken?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes.	
	Where appropriate, have debtors and creditors been properly recorded?	n/a	

Procedural	Is eligibility for the General Power of Competence properly evidenced?	n/a	
	Have points raised on the last Internal Audit report been considered by Council and actioned?	Yes.	
Transparency: For smaller councils with turnover under £25,000	Have the following been published? All items of expenditure above £100; End of year accounts; Annual governance statement; Internal Audit Report; List of councillor or member responsibilities; Location of public land and building assets; Minutes, agendas and papers of formal meetings.	Yes.	
Councils that are Burial Authorities	n/a		
Councils with Allotments	n/a		
Councils with Charities	n/a		
General Data Protection Regulation	Has the Council adopted a Data Protection Policy?	Yes, reviewed June 2023	Individuals are routinely named in Minutes. Names should ordinarily be redacted, or else have specific written permission for inclusion.
	Has the Council put in place Privacy Notices?	Yes, reviewed June 2023	

Miscellaneous	Is the Council registered with the Information Commissioner's Office?	No.	Register as soon as possible.
	Does the Council's website meet accessibility requirements (random sample)?	Accessibility statement from Vision ICT on website	Out of date. Contact details need updating, and updated statement required.