

**INTERNAL AUDIT REPORT**

**TO**

**MAPPLEBOROUGH GREEN  
PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2022 - 2023**

**Prepared by: Bill Robinson**

**Issued September 2023**

## Contents

|    |                             | Page |
|----|-----------------------------|------|
| 1. | Statement of responsibility | 2    |
| 2. | Detailed findings           | 3 -6 |
| 3. | Conclusion                  | 6    |
|    |                             |      |
|    |                             |      |

### **Statement of Responsibility**

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Mappleborough Green Parish Council

This report has been prepared solely for Mappleborough Green Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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## Mappleborough Green Parish Council Internal Audit for the Financial Year 2022 - 2023

This Internal audit was undertaken With the Clerk/ RFO of Mappleborough Green Parish Council on 17<sup>th</sup> May 2023, 21<sup>st</sup> June 2023, and July 2023.

### Accurate book keeping

- Entries to the cashbook spreadsheet were checked and found to be up to date and correct.
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

### Payments

For year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

| <b>Payment method</b> | <b>Payee</b>         | <b>Amount</b> | <b>Minute</b> |
|-----------------------|----------------------|---------------|---------------|
| BACS                  | SLCC                 | £36.00        | 752-11        |
| BACS                  | Arden Marches Church | £20.00        | 752-11        |
| BACS                  | WALC                 | £287.00       | 752-11        |
| BACS                  | D.J.Bennett          | £70.00        | 752-11        |
| BACS                  | Zurich               | £387.55       | 757-10        |
| BACS                  | Phone Monster        | £20.00        | 757-10        |
| BACS                  | D.J.Bennett          | £120.00       | 757-10        |
| D.Debit               | Lloyds Bank          | £27.18        | 771-11        |
| D.Debit               | Nest                 | £84.32        | 771-11        |
| BACS                  | HMRC                 | £26.60        | 771-11        |
| D.Debit               | Nest                 | £75.80        | 771-11        |
| BACS                  | D.J.Bennett          | £120.00       | 771-11        |
| BACS                  | W.Robinson           | £190.00       | 778-11        |
| BACS                  | SLCC                 | £36.00        | 778-11        |
| D.Debit               | Nest                 | £76.43        | 778-11        |
| BACS                  | TEEC                 | £28.80        | 778-11        |
| BACS                  | SLCC                 | £134.00       | No min yet    |
| BACS                  | Arden Marches        | £440.00       | No min yet    |
| BACS                  | PKF Littlejohn       | £240.00       | No min yet    |
| BACS                  | HMRC                 | £59.00        | No min yet    |
| D.Debit               | Nest                 | £28.80        | No min yet    |

All payment audit trails were found to be satisfactory with the payments matching the invoices.

It was noted in minute page 778 item 11 that it was agreed to move a sum from the current account to the general reserve for future expenditure – it is good practice to formally record when monies are transferred from accounts to reserves.

It was noted in minute page 778 item 11 that information was sent to Stratford on Avon District Council regarding the disposition of the remaining CIL expenditure – it is good to get final confirmation of expenditure.

### **Receipts.**

It was noted that all receipts seen were properly accounted for.

### **Receipts and Payments spreadsheet**

The receipts and payments spreadsheet was checked and found to be accurate, it would however make the process easier to understand if a date the transaction was made was added to the spreadsheet

### **Year end Accounts**

The year end accounts for the financial year 2022 -2023 were checked and were found to be arithmetically correct and in agreement with the financial records shown by the Clerk./RFO. These accounts were properly reconciled to the bank statements.

The annual return for the financial year 2022 – 2023 was completed by the Clerk and Internal Audit Report of the AGAR 2022/23 to be sent to the External Auditor was signed by the internal auditor Item F was marked as Not Covered, this is not a reflection on the Council's ability to manage its finances, it is a requirement where there is no petty cash held by the Parish Council.

### **Budget Controls**

It was noted that bi-monthly bank reconciliations are issued by the Clerk/RFO at each meeting to show a list of payments, and that bank reconciliation statements are produced on a bi monthly basis – this is good practice.

It was noted in minute page 772 that the budget and precept for the financial year 2023-2024 was considered and it was agreed to defer the decision on the precept until the next meeting.

It was noted in minute page 778 that the budget and precept for the financial year 2023-2024 was agreed.

It was noted in minute page 779 that the Unity Trust Bank management was completed and 2 Cllrs agreed as signatories. It might be worth considering adding a third signatory should one of the two original signatories become indisposed.

It was noted in minute page 756 item 7 that all annual payments were approved – this is good practice' It would be in the Councils interest to list all annual payments on the agenda for approval  
Start balance at the 31<sup>st</sup> March 22 Box 8 £31654.10

### **Income Control**

It was noted that receipts were banked promptly, and the receipts and payments spreadsheet satisfactorily checked against the bank statements.

It was noted that the VAT repayments for the financial year 2022 – 2023 were be properly made.

### **Asset Register**

It was noted in minute page 756 item 7 that approval for the asset register was deferred

It was noted that the asset register figure at February 2023 was £17655.81

### **Parish Council Agendas**

It was noted that all agendas were properly signed and dated.

It was noted in the agenda for the meeting on 11<sup>th</sup> April 2022 item 11 that the year end accounts were to be approved in preparation for the annual audits.

It was noted on the agenda of the Annual Parish Meeting on May 16<sup>th</sup> the Chair of that meeting was chosen from those in attendance. If however the Chair of the Parish Council is in attendance or indeed the Vice Chair he/she must chair the meeting see Local Council Administration para 10.2 and LGA 1972 Sch12 para 16.

When Parish Councils meet on a bi monthly basis it would be in the Council's interest to add all payments previously made (before the meeting) and those to be made at the meeting, to be included in the agenda (or as a formal appendix to the agenda) so that Councillors, the public, and press in attendance are aware of all payments from Parish Council funds.

### **Minutes of the Parish Council meetings**

All bi monthly minutes checked, and found to be satisfactory, with no unusual activity.

It was noted in minute page 765 item 15 (and in other minutes) that members of the public and non Parish Cllrs to be excluded for private matters to be discussed. The Parish Council should be aware that the exclusion of the public and press must be by resolution only, and it is unclear that any such motion was put to the meeting. See Local Council Administration para 7.6 and Public Bodies (Admission to Meetings) Act 1960.

It was noted that the minutes of the meeting on May 30<sup>th</sup> were dated approved and dated 9<sup>th</sup> Jan 2023

### **Financial Regulations**

It was noted in minute page 757 item 17 that MGPC will adopt the NALC approved model set of Standing Orders.

It was noted that these regulations were seen online and are dated as approved 2019, the Parish Council should ensure that the approved set of Regulations matches the set held on the website.

### **Standing Orders**

It was noted in minute page 757 item 17 that MGPC will adopt the NALC approved model set of Standing Orders.

It was noted that the website copy of the Standing Orders are dated 2018, the Parish Council should ensure that the approved set of Orders matches the set held on the website.

### **Other Policies**

It was noted that the Complaints procedure seen online were also undated, it would be in the Parish Council's interest to formally review and date the policies

### **Public Rights of Inspection**

It was declared that these have been placed in Mappleborough Green notice boards, it would be in the Council's interest to add them to the website.

### **Insurance**

It was noted in minute page 756 item 8 that it was agreed to continue with the long term agreement with Zurich as its insurer.

It might be in the Council's interest to consider adding a "key worker" clause to its insurance to cover any additional costs of another Clerk should the current Clerk be unable to carry out her functions.

### **Risk assessment**

It was noted that this is a good document and covers the major risks to the Parish Council finance and governance.

It was noted that the document is dated 2020/2021 the Parish Council should review this on an annual basis.

It was noted that it is unclear how the Council deals with a potential Clerks absence eg WALC locum scheme, or a nearby council Clerk stepping in

### **Petty cash/ Credit Card**

As Mappleborough Green Parish Council does not operate a petty cash scheme this will be recorded as Not Covered on Item F of the Internal Audit Report 2022/2023 AGAR page 4.

It was noted on the agenda for the meeting on 19<sup>th</sup> April 2023 that the previous Clerk's card has been cancelled. The Parish Council determined to set up a temporary measure until the new Clerk's card and banking arrangements have been issued –good practice.

It was noted on the agenda for the meeting on 19<sup>th</sup> April 2023 that the Parish Council should agree to a temporary system of making bank payments.

It would be in the Parish Council's interest to treat the Parish credit card as petty cash in recording terms (keep an additional separate record of purchases).

### **Payroll**

It was noted that the Parish Council has been registered as an employer with HMRC and the Clerk identifies all PAYE and NICS to HMRC using the basic PAYE tools software and a summary of payments was seen.

### **Sec 137 payments**

It was noted that payments made to MSC Planning were made under Sec.137 powers, the Parish Council should be aware that there are other powers that could be used for this purpose as Sec. 137 has strict limits, and cannot be used where another power is available..

It was noted that a payment made to the Clerk for re-imbusement of printer purchases was made under sec. 137, when this could have been paid under an administration function.

It was noted that a payment to the Clerk as a goodwill gesture for work done, the Council must be aware of statutory powers to spend..

The Clerk and Council should be aware at all times of the need to have a defined power to spend money.

### **General Power of Competence**

It was noted that the Clerk/RFO is undertaking the CiLCA qualification, The Clerk/RFO is to be congratulated on her efforts, and the Parish Council should now look to progressing towards the General Power of Competence.

### **Internal Audit and Review**

It was noted in minute page 757 item 9 that the internal audit report for 2021-2022 was reviewed and accepted – good practice to formally review that report.

It was noted in minute page 757 item 9 that an internal auditor for the financial year 2022-2023 was approved – this is good practice.

### **Delegated Powers to the Clerk**

It was noted in minute page 757 item 11 that the Clerk/RFO's delegated powers continuance (finances, planning, invoices) was approved – it is good practice to formally review all delegated powers on a regular basis.

### **Code of Conduct**

It was noted in minute page 756 item 4 that a new Code of Conduct was approved – good practice.

### **Website**

The Parish Council website was seen and it was found to be easy to access and meets all the statutory requirements.

It was noted that the document showing employers liability insurance could not be opened by the internal auditor (it's out of date), the Parish Council should either remove the document or put the new insurance on the website.

### **Conclusion**

Whilst undertaking the Internal Audit, it became apparent that the new Clerk/RFO is carrying out her responsibilities in a manner consistent with the standard required by Local Government Finance Regulations.

It was also apparent that the Clerk/RFO has understood the requirements of the role and is performing her duties well.

Where I have commented on future actions, these are only for Mappleborough Green Parish Council to consider, and implement only if the Council feels that they will improve the Council's procedures.

It will be noted that in Section 4 of the Annual Return the internal auditor has marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Mappleborough Green Parish Council it means that the Parish Council carries no petty cash.

This concludes the Internal Audit.

Signed.....



Dated... 1<sup>st</sup> September 2023