

**Mrs Anne E. Barnes FSLCC**  
**Internal Auditor**  
**79 Caistor Lane**  
**Caistor St Edmund**  
**Norwich**  
**NR14 8RB**



June 14, 2022

Mrs A. Rose

Clerk to Stoke Holy Cross Parish Council

Melcombe Cottage

**New Lane**

**Mattishall**

Norwich

NR20 3JX

**Dear Chairman and Councillors,**

**Internal Audit Report to Stoke Holy Cross Parish Council for Year Ended 31 March 2022**

**For the Attention of the Council**

**A. Appropriate accounting records have been kept properly throughout the financial year.**

I have inspected the Council's records to 31st March 2022. I have examined your cashbook and found it to be well maintained and up to date, correct and regularly balanced. I have also examined your invoices and bank statements and compared these to your Receipts and Payments account and your accounts in the Minute Book. I note that your cheque and BACS payments through Barclays Bank are correctly authorised by two councillors.

**B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.**

I have examined your invoices as presented to me and note that they have been approved by the Council and VAT was properly accounted for and reclaimed. VAT of £6569.47 for 2021-2022 has been reclaimed with £31.61 still to claim.

**C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

**Review of the Effectiveness of Internal Audit**

I note that the Council has reviewed its Risk Assessment procedures in February 2022 and that all the procedures put in place have been applied.

**Standing Orders and Financial Regulations adopted and applied**

I note that your Standing Orders and Financial Regulations are in place and were reviewed in May 2021 and November 2021 respectively.

**Insurance**

I have reviewed the Council's insurance with AXA to ensure the insurance cover is adequate. The cover is from 31 March 202 to 30 March 2023.

**D. The Precept or Rates requirement resulted from an adequate budgetary process; progress against the Budget was regularly monitored; and reserves were appropriate.**

I have had sight of the Budget for 2021/22 and Budget 2022/23 and confirm that the Precept was agreed through an adequate budgetary process. The budget was reviewed against actual, and reserves have been reviewed and increased and are appropriate. The Precept for 2022/23 of £49747.74 is recorded in the Minutes of January 2022.

**Section 137**

Section 137 Expenditure has been separately recorded in the cashbook and at £310.00 is within your statutory limits.

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

**Income Controls**

I note that all income is recorded and banked properly, and the Precept agrees with the Parish Council's notification to the Council Tax authority. The Parish Council has very few cash transactions and adequate controls are in place to minimise any loss.

**VAT Payments Controls**

I confirm that all VAT expenditure has been recorded separately and reclaimed at regular intervals as noted above.

**F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved. and VAT appropriately accounted for.**

**Petty Cash Procedures**

I note that the Parish Council does not operate a petty cash system.

**G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.**

#### **Payroll Controls**

I have examined the PAYE records for the Clerks Salary and her expenses records. The Clerks salary and expenses have been approved by the Council and PAYE, NIC and Pensions are properly applied by the Council as an employer as confirmed by the HMRC Basic Tools and NEST records.

Contract of Employment and the Job Description have been examined and are appropriate for the job. The Clerk has been paid in accordance with the salary scales in her contract and any salary increase was approved by the Council and noted in the November 2021 Minutes.

**H. Asset and investments registers were complete and accurate and properly maintained.**

#### **Asset Controls**

I have examined the Council's Asset Register and note that the assets have been reviewed and updated by the Council in February 2022.

**I. Periodic and year-end bank account reconciliations were properly carried out.**

#### **Bank Reconciliation**

I have examined the Bank Statements and the Receipts and Payments Book and confirm that there is a Bank Reconciliation for the Barclays Bank plc accounts. The reconciliation is carried out monthly and explanations entered for any un-reconciled amounts or outstanding cheques. The total value of the investments is summarised on the reconciliation.

**J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**

#### **Year-End Procedures**

I can confirm that the year-end accounts are prepared on a Receipts and Payments basis and that the accounts agree with the cashbook with an appropriate and adequate audit trail.

I note that the Council has completed the Annual Governance and Accountability Return 2021/2022 Form 3 where the higher of gross income or gross expenditure was greater than £25,000 and that the Council has not certified themselves as exempt from a limited assurance review.

- K. IF the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick “not covered”)**

The Parish Council did not certify itself as exempt from a limited assurance review in 2020/21.

- L. The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit, in accordance with any relevant Transparency Code requirements.**

I have examined your website, [www.stokeholycrosspc.info](http://www.stokeholycrosspc.info) and found that it has met the requirements of the Transparency Code and all relevant documents are published on the website at the date of this audit.

- M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).**

I have examined your website and noted the Exercise of Public Rights statement.

- N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).**

I can confirm that the Council has complied with the publication requirements for 2020/21.

- O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

The Parish Council has no Trusts.

#### **Matters for the Council’s Attention**

**I have no matters for the attention of the Council.**

I would like to thank your Clerk for the excellent and immaculate way he has presented the accounts and for her help and co-operation in preparing for the Internal Audit.

Yours sincerely,

Mrs A.E. Barnes FSLCC