

Mrs Anne E. Barnes FSLCC
Internal Auditor
79 Caistor Lane
Caistor St Edmund
Norwich
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May 17, 2021

Mrs A. Rose
Clerk to Stoke Holy X Parish Council
Melcombe Cottage
New Lane
Mattishall
Dereham
NR20 3JX

Dear Chairman and Councillors,

Internal Audit Report to Stoke Holy X Parish Council for Year Ended 31 March 2021

For the Attention of the Council

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

I have inspected the Council's records to 31st March 2021. 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 all payments by Barclays Bank are correctly authorised.

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 £3592.24 for 2020/21 has been repaid.

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 internal audit procedures 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 were reviewed in November 2020.

Risk Management Arrangements

I note that your Risk Management Policy has been reviewed in March 2021 and risks arising from the Covid-19 outbreak have been included to cover remote meetings.

Insurance

I have reviewed the Council's insurance with Pen Underwriting Ltd, through Came & Co, to ensure the insurance cover is adequate. The cover is from 31 March 2021 to 30 March 2022 and is in a 3 Year Long term Agreement.

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 2020/21 and Budget 2021/22 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 of £41,851.45 is recorded in the Minutes of January 2021.

Section 137

Section 137 Expenditure has been separately recorded in the cashbook and at £1,000 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 smaller authority's approvals, and PAYE and NI requirements were properly applied.**

Payroll Controls

I have examined the PAYE and Pension records for the Clerks Salary and her expenses records and records for the Parkland Caretaker. The salaries and expenses have been approved by the Council and PAYE and NIC have been properly operated by the Council as an employer.

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 the salary increases were approved by the Council and noted in the October 2020 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 recorded by the Council.

- 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 account. 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 2020/2021 Part 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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick “not covered”)

The Parish Council did not certify itself as exempt from a limited assurance review in 2019/20 as it did not meet the exemption criteria.

L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency Code for smaller authorities.

I have examined your website, 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 (2019-20) correctly provided 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 2019/20 AGAR (see AGAR Page 1 Guidance Notes).

I can confirm that the Council has complied with the publication requirements for 2019/20.

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 presentation of the accounts and for her help and co-operation in preparing for the Internal Audit.

Yours sincerely,

Mrs A.E. Barnes FSLCC