

## **Internal audit report for Whessoe Parish Council 2022/23**

Internal audit carried out on 18/05/2023 by Kevin Pearce

### **Introduction**

The council operates on a payment and receipt basis using an electronic accounting system (Rialtas Business Solutions). They retain paper copies of all invoices and receipts.

All key policy and minutes of meetings are published on their website

([www.whessoe-parish-council.org.uk](http://www.whessoe-parish-council.org.uk)) and were up to date.

I reviewed their standing orders and Financial Regulations and a selection of the minutes.

I examined the Annual Governance and Accountability Return (AGAR) for 2021/22 when no External Audit was required, and the council correctly declared itself exempt. (payments and receipts did not exceed £25,000).

### **Accounting**

All the appropriate accounting records were examined and properly kept for the year. I noted that each month two (2) Councillors carried out bank reconciliation's and that each quarter a separate Councillor with no input into the accounting system carried out their own Audit matching Payment and Receipt to the Banking Statements. Both actions reported and recorded at the relevant full Council meeting.

I examined a selection of payments and receipts and reconciled them to the bank statements. I found the electronic accounting system simple and easy to use when checking for accuracy of entries and calculations.

VAT is clearly identified and normally claimed annually.

There is no Section 137 expenditure.

The council does not have a cash float, nor does it accept payment in cash for its services.

### **Policies**

The Standing Orders and Financial Regulations were up to date and the Council was following the purchasing requirements. No significant purchases had been made during the year and where possible had sought the requisite number of quotations.

The council has an effective segregation between making on-line payments. The Responsible Financial Officer (RFO) processes payments on-line and two (2) Councillors are required to authorise the payments.

Cheques are submitted to their bank using on-line banking application.

The Council has a debit card which is set up in the name of the RFO on behalf of the Council. It has a £10,000 limit but no limit on expenditure within that amount.

The Council recognise this as a risk which it mitigates by monthly reconciliation's and quarterly Audits. In addition all purchases made through Amazon Business are reviewed at the time of the monthly reconciliation using Amazon Analytics. The Councils insurance covers misappropriation of funds by staff members.

## **Risk Assessment**

I examined the current risk register. The register was reviewed by the full Council at their meeting on the 27/03/2023 and was approved with no changes.

I examined the insurance policy for content and adequate coverage for Council, Village Hall and all assets.

## **Budgetary Controls**

The Council approved and minuted a budget for the Precept on 28/11/2022 and for the Hall and Social Committees. A letter from Darlington Borough Council clearly states the Precept figure for the year.

Budget reports are put before every Council meeting with variances noted.

## **Staff Salaries**

The Council has one employee who acts as both RFO and Clerk.

He works to a contract on a part-time basis of 12 hours per week and is managed by the Council's staffing committee. He is paid quarterly to an appropriate point on the NJC scale. All PAYE payments were made on time. He is not eligible for employer's pension arrangements.

## **Assets**

I examined the current asset register which shows all assets, dates of purchase, cost and any record of disposal. Asset value is covered by the insurance policy.

## **Transparency**

The Council has a website and publishes all agendas, minutes, Policies and Financial records in accordance with the Transparency Code.

Signed



date

18/05/2023

**Kevin Pearce DEM**