

# **Swafield & Bradfield Parish Council**

Internal Audit Report

For Swafield & Bradfield Parish Council

Financial Year 2019/2020

Prepared by Maureen Anderson-Dungar  
3 June 2020

**Actions for your Council are now:**

1. Send a copy of the Explanatory Notes to the External Auditor (where applicable)
2. Discuss this report with your Council and take any appropriate action. This should be minuted.

I have completed an internal audit of the accounts for Swafield & Bradfield Parish Council for the year ending 31 March 2020.  
My findings are detailed below using the tests provided in the **Governance and Accountability (England) 2018**.

**I would like to thank the Clerk for providing me with all the information required for the Internal Audit.**

Internal control	Test	Observation
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Balanced and reported to meetings.
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	5 March 2019 listed for review April 2020 but not possible due to Covid-19 situation. Review once in person meetings resume
	Date Financial Regulations last reviewed	13 November 2018
	Has a Responsible finance officer been appointed with specific duties?	Yes, the RFO is the Clerk, duties identified in Financial Regulations.
	Have items or services above the de minimus amount been competitively purchased?	N/A
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes, all correct
	Have legal powers been identified for purchases?	N/A for the year under review
	Has VAT on payments been identified, recorded and reclaimed?	All identified and correctly recorded. VAT claim submitted 22 April 2020
	Is s137 expenditure separately recorded and within statutory limits?	No relevant expenditure

Internal control	Test	Observations
	Are S137 payments commensurate?	N/A – see above
	Have S137 payments been approved and included in the minutes as such?	N/A – see above
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	None identified.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Risk Management reviewed 13 November 2018, scheduled for annual review
	Is insurance cover appropriate and adequate?	Reviewed November 2018, and relevant to Council's activities.
	Are internal financial controls documented and regularly reviewed?	Accounts and bank reconciliation checked at every meeting; no internal "scrutineer" is appointed. Agreed by Council May 2019
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes, budget was presented and approved at meeting held on 12 November 2019.
	Has the precept been calculated from the budget and been approved?	Yes, and approved at meeting held on 12 November 2019.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, to each meeting.
	Are there any significant unexplained variances from budget?	No, all variances recorded.
Income controls	Is income properly recorded and promptly banked?	The Council receives income from the precept and VAT refund via BACS. Grant also received from NCC Parish Partnership scheme
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	No cash held. All transactions are via the Bank.

Internal control	Test	Observations
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	The Council does not operate a petty cash system.
	Is petty cash expenditure reported to each council meeting?	N/A – see above
	Is petty cash reimbursement carried out regularly?	N/A – see above
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	The Clerk/RFO is the only employee – new Clerk appointed January 2020, as per 2019 job description, recorded in Minutes of January meeting. Contract to be issued following next meeting “in person.”
	Do salaries paid agree with those approved by the council?	Salary rates approved by Council, supporting documentation provided
	Are salaries above the National Living Wage / Minimum Wage?	Salary accords with NJC/SLCC recommendations, and minuted on appointment of new Clerk.
	Are other payments to employees reasonable and approved by the council?	All approved by the Council and in accordance with recommendations
	Have PAYE/NIC been properly operated by the council as an employer?	Payments made to HMRC; all documentation provided.
	Asset controls	Does the council maintain a register of all material assets owned or in its care?
Where appropriate, are these inspected annually?		Maintenance agreements in place for relevant assets.
Are the assets and Investments registers up to date?		Yes, as at 12 November 2019.
Do asset insurance valuations agree with those in the asset register?		Yes, review carried out prior to insurance renewal.
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?	Bank reconciliations are carried out on receipt of bank statement and reported to Council. Bank statements signed.

Internal control	Type	Observations
	Are there any unexplained balancing entries in any reconciliation?	None.
	Is the value of investments held summarised on the reconciliation?	N/A
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Receipts and Payments.
	Do accounts agree with the cashbook?	Yes.
	Has a year end bank reconciliation been undertaken?	Yes.
	Is there an audit trail from underlying financial records to the accounts?	All income and expenditure clearly and accurately recorded.
	Where appropriate, have debtors and creditors been properly recorded?	Yes.
	Is the Council adhering to the Transparency Code? (only relevant for councils with turnover of under £25,000)  See Supplementary Page 1	The Council has met all its responsibilities under the Transparency Code.

Procedural	Have minutes been signed by the Chairman?	Yes.
	Has the Chairman initialled each page of the Minutes Book?	Yes
	Has the Chairman signed the original year end bank statements?	No meetings in person due to Covi-19 situation, to be signed as soon as possible.
	Has the Chairman signed the year end bank reconciliation?	As above, to be signed once accounts and year end documentation approved.
	Is eligibility for the General Power of Competence properly evidenced?	Yes, re-adopted at Annual Council Meeting 14 May 2019.
	Have points raised on the last Internal Audit report been considered by council and actioned?	Considered at Annual Parish Council Meeting on 14 May 2019

**Summary of my recommendations:**

All information is clearly documented, and well presented, in both paper form and electronically on the website. It was noted that a new website has been set up.

I noted that the current Clerk was appointed in January 2020, therefore was not responsible for any of the earlier administration work. The transition between Clerks was a smooth process. The Contract will be issued as soon as possible.

I noted that meetings are currently suspended, due to the current restrictions on "gatherings", but arrangements will be made to complete the Annual Governance & Accountability documentation in line with Coronavirus Emergency Regulations provisions.

Risk Management document should be reviewed in the current Financial Year.

M. E. Anderson-Dunlop

Signed

03/06/2020

Date

**Swafield and Bradfield Parish Council**  
**Receipts and Payments Accounts**  
**Year ending 31 March 2020**

<b>31 March 2019</b>	<b>Receipts</b>	<b>31 March 2020</b>
5,325.00	Precept	5,325.00
-	SAM2	3,396.00
23.54	HMRC VAT reclaimed	138.59
2,839.30	Village Events	-
<b>8,187.84</b>	<b>Total Receipts</b>	<b>8,859.59</b>
	<b>Payments</b>	
2,596.85	Salary & HMRC	2,224.29
153.61	Travel Expenses	178.12
177.05	Printing, Stationery and Postage	181.71
263.00	Office Allowance	272.00
425.00	Insurance	338.40
304.00	General Admin - electricity hall hire etc	152.71
138.25	Subscriptions - NPTS/ICO and Audit	135.00
-	Website	105.00
345.02	PWLB Repayment	337.20
1,715.85	Village Hall - grounds maintenance	-
200.00	Churchyard - grounds maintenance	-
	Grants	300.00
60.00	Training	30.00
-	Assets - Defibrillator, office equipment	3,407.16
138.59	VAT on Payments	728.10
<b>6,557.22</b>	<b>Total Payments</b>	<b>8,389.69</b>
<b>9,355.97</b>	<b>Balance at 1st April 2019</b>	<b>10,986.59</b>
8,187.84	Receipts	8,859.59
6,557.22	Payments	8,389.69
	Outstanding cheques not cashed - HMRC - 278	50.40
	NPTS - 277	55.00
	Trunch PCC - 280	300.00
<b>10,986.59</b>	<b>Balance at 31 March 2020</b>	<b>11,051.09</b>

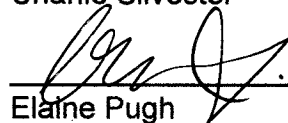
Chairman



Charlie Silvester

14.07.2020

RFO/Clerk



Elaine Pugh

14.07.2020