

# Field Dalling & Saxlingham Parish Council

## Internal Audit Report for Field Dalling & Saxlingham Parish Council Financial Year 2022-2023 Including Explanatory Notes for Annual Return

(where a 'no' has been marked)

Prepared by Kerrie Wilton  
15<sup>th</sup> April 2023

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I have completed an internal audit of the accounts for Field Dalling & Saxlingham Parish Council for the year ending 31 March 2023. My findings are detailed below using the tests provided in the Governance and Accountability (England) 2016.

Internal Control	Test	Observations / Recommendations
Proper bookkeeping	Is the cash book maintained and up to date?	Yes
	Is the cash book arithmetically correct?	Yes
	Is the cash book regularly balanced?	Yes
Standing Orders, Financial Regulations, and Payment Controls	Has the Council formally adopted Standing Orders and Financial Regulations?	Yes, they were due to be reviewed in January 2023
	Date Standing Orders last reviewed	Adopted January 2021 & they were due to be reviewed in January 2023, but not noted on the agenda as reviewed as yet.
	Date Financial Regulations last reviewed	Adopted January 2021 they were due to be reviewed in January 2023 but were reviewed on 1st April 2023.
	Has a Responsible Financial Officer been appointed with specific duties?	Yes
	Have items or services above the de minimus amount been competitively purchased?	N/a
	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	No, there are some invoices missing including the transaction received for £15,000.00 & again when it was paid out to the Village Hall. The Defib training invoice was also not seen for £50.00
	Has VAT on payments been identified, recorded and reclaimed?	Yes, this was been submitted on 6/4/2022 & was noted as received on the July 2022 minuted as £156.10, but as received from NNDC refund not HMRC VAT. The bank

		statement showed the transaction HMRC VTR. So perhaps just incorrectly coded in the cash book also. The 2022-23 VAT reclaim has been submitted.
	Is S137 expenditure separately recorded and within statutory limits?	N/a – none paid in 22-23.
	Have S137 payments been approved and included in the minutes as such?	As above.
Risk Management Arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the Council carrying out an annual risk assessment or review of their risk management scheme?	Not seen or recorded in minutes.
	Is insurance cover appropriate and adequate?	Yes, Policy no seen this year in full but as the renewal amount was the same as the previous year, can only presume the cover remained the same.

Internal Control	Test	Observations / Recommendations
	Are internal financial controls documented and regularly reviewed?	Not seen,
Budgetary Controls	Has the Council prepared an annual budget in support its precept and has this been minuted as being approved?	Yes 23/1/2023 minute reference no.7 refers the final Budget. It has been published on the website.
	Has the precept been calculated from the budget and been approved?	See above
	Does the budget include an actual completed year?	See above
	Is actual expenditure against budget regularly reported to the Council?	Yes

	Are there any significant unexplained variances from budget?	No
Income Controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes.
	Are security controls over cash and near-cash adequate and effective?	Yes
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices / receipts?	N/a
	Is petty cash expenditure reported to each Council meeting?	N/a
	Is petty cash reimbursement carried out regularly?	N/a
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Clerk left sometime between November 2022 & January 2023, date not minuted & a locum clerk was appointed sometime after that, date not known.
	Do salaries paid agree with those approved by the Council?	Yes
	Are salaries above the National Living Wage / Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the Council?	Yes

Internal Control	Test	Observations / Recommendations
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes, copies of submissions provided.
Asset Controls	Does the Council maintain a register of all material assets owned or in its care?	Yes – not on website

	Are the assets and investments registers up to date? When were these last reviewed?	Yes, it is not known when they were last reviewed but this was possibly 2021.
	Does the asset insurance valuations agree with those in the asset register?	Yes.
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?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments <b>or</b> Income and Expenditure)	Yes – Receipts and Payments
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	N/a
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Not adopted
	Have points raised on the last Internal Audit report been considered by Council and actioned?	Yes
Internal Control	Test	Observations / Recommendations

Transparency: For smaller councils with turnover under £25,000	Are minutes for the whole year on the website?	Yes
	Are agendas for the whole year on the website?	Yes
	Are payments over £100 detailed on the website?	Yes
	Have electors' rights been advertised on the website?	Yes
	Are councillors' responsibilities detailed on the website?	Yes
	Is the last financial year's Annual Return on the website?	Yes
	Are the land and building asset details on the website?	N/a
Councils that are Burial Authorities	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/a
	Have fees for the cemetery been reviewed and agreed by the Council?	N/a
	Were comparisons made with other cemeteries prior to setting the fees?	N/a
	Have burial books been kept up to date and are they safely stored?	N/a
Councils with Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	N/a
	Have fees for the allotments been reviewed and agreed by Council?	N/a
Councils with Charities	Have Charities reported and accounted separately?	N/a
	Have Charity accounts been independently audited?	N/a
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/a

General Data Protection Regulation	Has the Council adopted a Data Protection Policy?	Adopted March 2021, reviewed April 2023.
	Has the Council carried out an information audit?	Not known
<b>Internal Control</b>	<b>Test</b>	<b>Observations / Recommendations</b>
	Has the Council put in place Privacy Notices?	Yes
	Has Data Protection been built into the general procedures, processes and policies of the Council?	Yes, it was reviewed April 2023.

### Summary of Recommendations:

ICO subscription was paid £35 Jan 2022 by direct debit & when it came to be reviewed in January 2023 the agenda showed £40 rather than the £35 which was paid.

The Asset register is not on the website.

The Recycling credits claim was noted to be submitted in March 2022, but no copy of the claim document seen. The October 2022 minutes show a payment as received of £418.36 from NNDC as PAYE, not sure why they would make this payment. This does not correspond with the bank statement which showed the payment received as £418.36 on 18/8/2022 from NCC BACS A/P, I think this may have been the recycling credits claim. A further claim could have also been submitted for 2022-23, please look into this to see if you are eligible to make a claim. <https://www.norfolk.gov.uk/rubbish-recycling-and-planning/rubbish-and-recycling/recycling-credits>.

There are two cashbook transactions shown as 2022, I think they should be shown as 2023:

18/01/2022	ICO	Registration
30/01/2022	Countrystyle	recycling

It is not minuted that the clerk had left & had been replaced with a locum, this appears to have happened sometime between November 2022 & January 2023. The new clerks contract has been provided & hopefully the previous clerk was issued with a P45 when they left.

There are no minutes for the confidential section of the January 2023 meeting.

The Standing Orders, Financial Regulations & Data Protection policy were all due to be reviewed in January 2023, the April 2023 agenda showed that the Financial Regulations & Data Protection were reviewed at the April 2023 meeting but not the Standing Orders. Where payments are made by cheque it is important that the two authorising Parish Councillors initial the cheque book stubs to show who they were.

As you are using an external/local firm for grass cutting, there is no reference in the minutes that his public liability insurance & risk assessments have been seen or requested.

As there is no paperwork to support why the Parish Council received £15,000.00 from NNDC & why it then passed the money on to the Village Hall Committee. The October minutes referred to it a 'Community Grant' but it was not detailed in the payments to be agreed that month despite it being paid out on 27/10/2022. If the Parish Council is the Custodian Trustee then these funds should not have been transacted via the Parish Council's bank account in order to make the Village Hall Management Committee eligible if they were not entitled to make the grant application themselves. This needs to be clearly minuted as to why this happened otherwise you are open to scrutiny by your parishioners & you have ultimately obtained funds by mis-representation & if that is the case you should contact NNDC immediately to see if the grant should be handed back to NNDC.

The footer on the May 2022 minutes shows March 2022.

Signed: .....

Date: .....