Black Rose Solutions Ltd

Internal Audit - Report

Name of Council
Date of Audit

Salt and Enson Parish Council 26/04/2022

Annual Return - Internal Control Objectives

A. Appropriate accounting records have been properly kept throughout the financial		YES
year.		ILS
Is the cashbook maintained and up to date?	yes	
Is the cashbook arithmetic correct?	yes	
Is the cashbook regularly balanced?	yes	
The council uses an Excel spreadsheet - no errors or omissions noted		

B. This authority complied with its financial regulations, payments were sinvoices, all expenditure was approved and VAT was appropriately account		YES
Are payments supported by invoices?	yes	
Is all expenditure approved?	yes	
Is VAT appropriately accounted for?	yes	
Does the Council hold Power of Competence?	yes	
If not, does the council monitor s137 expenditure against limit?	n/a	
All cheques and invoices have been presented to council for approval, the initialled by the approver and the cheque stub initialled by the signatory.	invoices are	
There has been no Vat claim during the year as the value is low. There is no	requirement	
for this to be done annually as long as it is monitored and claimed within 3	years of the	
date of supply.		

C. This authority assessed the significant risks to achieving its objectives a	nd reviewed	VEC
the adequacy of arrangements to manage these.		YES
Does a review of the minutes identify any unusual financial activity?	no	
Do minutes record the council carrying out an annual risk assessment?	19/05/2021	
Is Insurance cover appropriate and adequate?	yes	
Are internal financial controls documented and regularly reviewed?	yes	
Date of review of Financial Regs	19/05/2021	
Date of review of Standing Orders	19/05/2021	

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		YES
Has the council prepared an annual budget in support of its precept?	yes	
Is actual expenditure against the budget regularly reported to the council?	yes	
Are there any significant unexplained variances from budget?	no	
Are reserves appropriate?	yes**	
The reserve account stands at £15,130 - which includes £8,100 General Resernamed reserves). Total balances stand at £18,220, which leaves £11,190 as general/unspecified approximately 15 months of income/expenditure. Guidelines suggest that 3 to 12 months of receipts/payments are an acceptate general reserves to be held. It is noted that the council has reduced the level of unspecified reserves held year. Expenditure against budget is reported at each council meeting.	d. This is	R

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		YES
Is income properly recorded and promptly banked?	yes	
Does the precept recorded agree to the Council Tax authority's	yes	
Are security controls over cash and near-cash adequate and effective?	yes	
Is the council VAT registered?	no	
Are returns submitted in a timely manner.	yes	
Is VAT reclaimed on exempt business activities reviewed and considered	n/a	
Are receipts for business activities within the registration threshold?	n/a	
The council submits a VAT return when appropriate, normally annually. (There	has not	
been a submission this year as rther value is low)		

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A
Is all petty cash spent recorded and supported by VAT invoices/receipts?	
Is petty cash expenditure reported to each council meeting?	
Is petty cash reimbursement carried out regularly?	
The council does not hold Petty Cash, with small items been purchased by the clerk or	
councillors and reimbursed via an expense claim	

G. Salaries to employees and allowances to members were paid in accordan authority's approvals, and PAYE and NI requirements were properly applied		YES
Do all employees have contracts or employment with clear terms and conditions?	yes	
Do salaries paid agree with those approved by the council?	yes	
Are other payments to employees reasonable and approved by the	yes	
Have PAYE/NIC been properly operated by the council as an employer?	yes	
Does line 4 include only Salary, NI & Pension	yes	
Does the council monitor off payroll working (IR35)	n/a	
The council runs payroll using HMRC Basic PAYE Tools		
Payments are approved by council		
Pay scale is in line with NALC published amounts.		

H. Asset and investments registers were complete and accurate and properly maintained.		YES
Does the council maintain a register of all material assets owned or in its care? Are the assets and investments registers up to date? Do asset insurance valuations agree with those in the asset register?	yes yes yes	

I. Periodic and year-end bank account reconciliations were properly carried	out.	YES
Is there a bank reconciliation for each account?	yes	
Is a bank reconciliation carried out regularly and in a timely fashion and approved by council?	yes	
Are there any unexplained balancing entries in any reconciliation?	no	
Is the value of investments held summarised on the reconciliation?	n/a	
The reconciliation is prepared and approved at each meeting.		

appropriate debtors and creditors were properly recorded.	re	YES
Are year end accounts prepared on the correct accounting basis (receipts and payments or income and expenditure) ?	R&P	
Are debtors and creditors properly recorded?	n/a	
Do accounts agree with the cashbook?	yes	
Is there an audit trail from underlying financial records to the accounts?	yes	

K. If the authority certified itself as exempt from a limited assurant exemption criteria and correctly certified itself exempt	nce review, it met the	YES
Income < £25k	yes	
Expenditure < £25k	yes	
Required Documents Published (2021)		
Certificate of Exemption	yes	
Annual Internal Audit Report	yes	
Section 1 - Annual Governance	VOS	
Statement	yes	
Section 2 - Accounting Statements	yes	
Analysis of Variances	yes	
Bank Reconciliation	yes	
Notice period - exercise of public rights	yes	

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		YES
All items of expenditure above £100	yes	
End of Year Accounts	yes	
Annual Governance Statement	yes	
Internal Audit Report	yes	
List of Councillor or member responsibilities	yes	
Location of public land and building assets	n/a	
Minutes, Agendas and papers of formal meetings	yes	

M. The authority has demonstrated that during summer 2021 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes)	YES
Date from 09/06/202	21
Date to 20/07/202	21
N. The authority has complied with the publication requirements for 2020/21 AGAR.	YES
Notice of Period for Exercise of Electors Rights yes	
Section 1 Annual Governance Statement yes	
Section 2 Accounting Statements yes	
Notice of Conclusion of Audit n/a	
Section 3 External Audit Report & Certificate n/a	
Sections 1 & 2 of AGAR yes	
Internal Audit Report yes	
O. Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/a