

SDH Accountancy & Audit Services

Principal Sue Hackett

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Date 10 April 2024

Dear Jane,

RE: MORETON SAY PC INTERNAL AUDIT 23/24 – FINAL REPORT

I trust you and the council are well, the audit has been carried out remotely using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and best practice as documented in the Practitioners' Guide '23. I have completed the internal control objectives which support the Annual Internal Audit Report within the 23/24 AGAR positively. The following supports my conclusions:

Internal Control Objective	Evidence	Achieved
A. Appropriate accounting records have been properly kept throughout the financial year.	<p>The primary accounts record examined 1-4-23 to 31-3-24 (i.e. the excel receipts and payments ledger) was found to be comprehensive, accurate and complete providing a full audit trail to documents, council minutes, and powers of expenditure. The ledger was also examined as at 31/12/23.</p> <p>The opening balance was agreed to the previous year's AGAR closing bank balance and detailed testing of a sample of transactions per the accounts supports its accuracy. (See B & E & I below.)</p>	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	<p>A sample of 7 payments were agreed between the Council minutes, payments ledger and bank statements. A further 3 were selected from bank statements and agreed to the payments ledger and Council minutes. All were supported by invoices/receipts/pay slips.</p> <p>Payments are now made online; the RFO sets up payment details and two of the four councillors set up to authorize payments log into the bank's system following the Council meeting to authorise payments having been provided with copies of the invoice.</p> <p>VAT was found to be appropriately accounted for within the accounts and Financial Regulations were complied with.</p>	Yes

<p>C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>The Council's risk assessment schedule was last reviewed and adopted by Council in May 2023. Financial Regulations and Standing Orders were also adopted at the same meeting. Good internal financial control checks have been routinely carried out by an independent councillor. The Council mitigates risk through its insurance policy with BHIB and via physical inspection of its assets..</p>	<p>Yes</p>
<p>D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.</p>	<p>Budget Monitoring -The Clerk/RFO provides detailed quarterly monitoring reports to council members, as required by its Financial Regulations.</p> <p>Budget Setting 2024/25 – The Clerk/RFO presented a conservative draft budget at the Council's December'23 meeting. It was agreed in principle and adopted at the Council's Jan 2024 meeting (Outturn £10,300). Council also resolved that a Precept of £13,516 be requested allowing for some over spend; with projects being funded from reserves.</p> <p>Reserves – The closing balance as at 31/3/24 was £17,086; this includes a CIL reserve in the balance. Reserves were considered reasonable.</p>	<p>Yes</p>
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.</p>	<p>A precept receipt of £13,178 and VAT refund of £385.58 were agreed to bank statements and supporting remittances/claims. No bankings arose in year.</p>	<p>Yes</p>
<p>F. Petty Cash has been properly accounted for.</p>	<p>None held</p>	<p>Yes</p>
<p>G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.</p>	<p>All pay calculations are processed using HMRC RTI software and approved by Council. These were found to be accurate and in agreement with the Clerk's contract, Council decisions and National Pay Scales. Periods 3 and 9 payments were checked in detail. Back pay due as a result of a national pay award being agreed in year and back dated to 1/4/22 was found to be correctly processed in Period 8. No allowances have been paid to members.</p>	<p>Yes</p>
<p>H. Asset and investment registers were accurate and properly maintained.</p>	<p>The Asset Register as at 31/3/24 has been updated to reflect asset purchases (e.g. memorial bench £457). Assets are valued as per JPAG guidance. No investment register is required.</p>	<p>Yes</p>
<p>I Periodic Bank Reconciliations were properly carried out during the year</p>	<p>Evidence was sighted in the minutes of bank reconciliations being presented to Council and being checked by an independent councillor. Quarterly bank statements support the checks have been carried out. Q3 & 4 bank reconciliations were re-performed by the auditor and found to be correct.</p>	<p>Yes</p>
<p>J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</p>	<p>The AGAR and yearend accounting statement for the year has been prepared accurately on a receipts and payments basis, agrees with the cash book, bank reconciliation, payroll reports and Fixed Asset Register. Accounting statements prepared during the year were also prepared on a receipts & payments basis. Sample testing supports that the audit trail to underlying records is adequate.</p>	<p>Yes</p>

Objectives K – N were reported in the interim audit report.	See interim report.	N/A or Yes
O. Trust funds – the Council has met its responsibilities as a trustee.	The Council is not the sole trustee of such a fund as confirmed by the Clerk/RFO.	N/A

The Council is not due a limited assurance audit by external audit as neither total receipts nor total payments have exceeded £25,000.

Please feel free to share this with the Council,

Best Wishes

Sue Hackett