

Black Rose Solutions Ltd

Internal Audit - Report

Name of Council - **Creswell Parish Council**

Date of Audit - **11th April 2024**

Annual Return - Internal Control Objectives

A. Appropriate accounting records have been properly kept throughout the financial year.	YES
Is the cashbook maintained and up to date?	yes
Is the cashbook arithmetic correct?	yes
Is the cashbook regularly balanced?	yes
The council uses Excel for its cashbook. No issues noted.	

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	YES
Are payments supported by invoices?	yes
Is all expenditure approved?	no*
Is VAT appropriately accounted for?	yes
Does the Council hold Power of Competence?	no
Re adopted?	n/a
If not, does the council monitor s137 expenditure against limit?	yes
The council is not quorate and has not met since April 2023. Payments have been made under the scheme of delegation.	note

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	NO
PG.C.2 • Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security	
Does a review of the minutes identify any unusual financial activity?	n/a
Do minutes record the council carrying out an annual risk assessment?	no
Is Insurance cover appropriate and adequate?	yes*
Are internal financial controls documented and regularly reviewed?	yes*
The council is not quorate and has not met since April 2023. There has been no review of any policies or risk assessments.	REC
There is no cyber or business interruption cover as recommended by the Practitioners Guide, the council should review whether this would be beneficial - perhaps include the option as part of the Risk Assessment process.	note

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	NO
Has the council prepared an annual budget in support of its precept? Is actual expenditure against the budget regularly reported to the council? Are there any significant unexplained variances from budget? Are reserves appropriate?	no* no* no no
The council is not quorate and has not met since April 2023. As a result the council has significantly underspent, and only minimal/essential payments have been made under the scheme of delegation. The council could not request a precept as it could not meet. Reserves have increased and now stand at around 24 months of income, which is above the recommended 3 to 12 months PG 5.31. Smaller authorities have no specific right to accumulate funds via the precept. All reserves should be reviewed and justified regularly (i.e. at least annually). It is good practice to transparently publish both the level and rationale of all reserves.	REC

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? Does the precept recorded agree to the Council Tax authority's notification? Are security controls over cash and near-cash adequate and effective? Is the council VAT registered? Are returns submitted in a timely manner? Is VAT reclaimed on exempt business activities reviewed and considered insignificant? Are receipts for business activities within the registration threshold?	yes yes* yes no yes n/a n/a
A grant had been mistakenly included in the precept figure - upon enquiry from IA, this was moved to Other receipts	note

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/a
The council holds no petty cash	

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	YES
Do all employees have contracts or employment with clear terms and conditions? Do salaries paid agree with those approved by the council? Are other payments to employees reasonable and approved by the council? Have PAYE/NIC been properly operated by the council as an employer? Does line 4 include only Salary, NI & Pension Does the council monitor off payroll working (IR35)	yes yes* yes* yes yes* n/a
The council is not quorate and has not met since April 2023. Payments have not been approved, but are all in line with recurring payments in prior year and SCP annual increase. Line 4 included a home working allowance, upon enquiry from IA this was moved to other payments.	note note

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?	yes
Are the assets and investments registers up to date?	yes
Do asset insurance valuations agree with those in the asset register?	yes

I. Periodic and year-end bank account reconciliations were properly carried out.	NO*
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* no*
Are there any unexplained balancing entries in any reconciliation?	no
Is the value of investments held summarised on the reconciliation?	n/a
The council has not been quorate so there have been no meetings to formally approve bank reconciliations.	note
The reconciliations have been prepared, and no issues were noted.	

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	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 assurance review in 22/23, it met the exemption criteria and correctly certified itself exempt	NO
Receipts < £25k	yes
Payments < £25k	yes
Required Documents Published (2023)	
Certificate of Exemption	no
Annual Internal Audit Report	no
Section 1 - Annual Governance Statement	no
Section 2 - Accounting Statements	no
Analysis of Variances	no
Bank Reconciliation	no
Notice period - exercise of public rights	no
The council is not quorate and has not met since April 2023 - no statements could be approved, so have not been approved for publication.	note

L. The authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	NO
All councils - Accounts and Audit Regulations 2015	no
Accounts remain published for 5 years	
Transparency Code for Smaller Councils (income/expenditure under £25k)	
All items of expenditure above £100	no
End of Year Accounts (5 years)	no
Annual Governance Statement	no
Internal Audit Report	no
List of Councillor or member responsibilities	yes
Location of public land and building assets	yes
Minutes, Agendas and papers of formal meetings	n/a
The council was not quorate so could not approve documents to be published	REC

M. The authority has demonstrated that during summer 2023 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes)	NO
The council was not quorate so could not approve documents to be published	

N. The authority has complied with the publication requirements for 2022/23 AGAR.	NO
Notice of Period for Exercise of Electors Rights	no
Section 1 Annual Governance Statement	no
Section 2 Accounting Statements	no
Notice of Conclusion of Audit	n/a
Section 3 External Audit Report & Certificate	n/a
Internal Audit Report	
The council was not quorate so could not approve documents to be published	REC

O. Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/a
The council is not a trustee.	