

INTERNAL AUDIT REPORT
For the year ended 31st March 2024

To

Ludford Parish Council

I have carried out an internal audit in accordance with the Council's needs, and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

Internal Audit Opinion

In my opinion the controls in place during 2023/24 were sufficient for the purposes of the council, and that the council has made improvements to the reserve position.

1. Accounts

The accounts for 2023/2024 were as follows

	Total
Income	£ 83,980.47
Expenditure	£ 12,329.42
<u>Surplus</u>	<u>£ 71,651.05</u>

It should be noted that the Council received £ 73,270.28 Community Infrastructure Levy monies and spent £ 3,850.00 of the total C.I.L. monies in the year

<u>Balance sheet</u>	<u>31/03/24</u>
Bank accounts	£ 104,567.26
Less creditor	-£ 1,050.56
<u>Total Assets</u>	<u>£ 103,516.70</u>

This is funded by :-

General fund		£ 11,038.66
Non ring fenced reserves		
Street lighting	£ 1,401.03	
Elections	£ 652.00	£ 2,053.03
Ring fenced reserves		
Environment	£ 1,423.24	
C.I.L.	£ 89,001.77	£ 90,425.01
<u>Total Funds</u>		<u>£ 103,516.70</u>

It should be noted that ring fenced reserves can only be spent on items that comply with the conditions of the original grant, and that should the C.I.L. monies not be spent within five years of receipt they may be reclaimable by the County Council.

The Council is considering which schemes are of benefit to the community and which fall under the auspices of the original grant conditions.

2. Petty cash

The Council does not operate a petty cash system and hence this area of control has not been examined in the course of this audit.

It is recommended that:-

The council does not introduce a petty cash system.

3. Other points

The asset register and the risk register should be placed on the website

The Council is considering internet banking and, if introduced, they should ensure that the financial regulations and risk register regarding payments are updated accordingly, and that the fundamental control of two separate signatures is not lost. Some banks do operate a multi authorisation process whereby two separate signatories are required to set up payments and then authorise sending.

Please note that the Recommendations stated in this report may have already been taken under consideration by the Council.

Audit and report prepared by

Kevin Lawrence Adams

Date 07/05/24

agar forms		agar 22/23	actual 22/23	agar 23/24
	1 b fwd	£ 10,053	£ 10,053.14	£ 31,866
	2 precept	£ 8,000	£ 8,000.00	£ 9,420
	3 other receipts	£ 19,112	£ 19,111.90	£ 74,560
sub total		£ 37,165	£ 37,165.04	£ 115,846
	4 staff costs	£ 1,939	£ 1,939.48	£ 2,556
	5 loan interest etc	£ -	£ -	£ -
	6 all other payments	£ 3,360	£ 3,359.91	£ 9,773
	7 balance c/fwd	£ 31,866	£ 31,865.65	£ 103,517
	8 cash short term inv	£ 31,866	£ 31,865.65	£ 103,517
	9 fixed assets + long term inv	£ -	£ -	£ -
	10 borrowings	£ -	£ -	£ -
11a	disclosure trust funds	no	no	no
11b	disclosure trust funds	n/a	n/a	n/a

note that the following items have been taken into account

2023/24		income	expenditure
	cash book	£ 83,980.47	£ 11,561.73
less	23/24 creditor paid in 23/24		£ (169.67)
add	creditors 23/24 (paid in 24/25)		£ 1,050.56
less	out of date cheques written back		£ (113.20)
		<u>£ 83,980.47</u>	<u>£ 12,329.42</u>

actual		agar	actual
23/24		23/24	23/24
£ 31,865.65			
£ 9,420.00			
£ 74,560.47	income	£ 83,980	£ 83,980.47
£ 115,846.12			
£ 2,555.88			
£			
£ 9,773.54	expenditure	£ 12,329	£ 12,329.42
£ 103,516.70			
£ 103,516.70			
£	-		
£	-		
no			
n/a			

INTERNAL AUDIT CONTROL OBJECTIVES - TEST PROGRAMME

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Parish LUDEFORD

Year 2023/24

Ref	Question	Yes / No	Comments
A	Appropriate books of account during year		
	Are there account books	Yes	
	Are they up to date	Yes	
	Are they accurate and agree with vouchers	Yes	
B 1	The councils financial regulations been followed		
	Does the council have financial regulations	Yes	
	Are the clerk / finance officer / members aware of them	Yes	
	Have they been followed	Yes	
B 2	Payments are supported by invoices		
	do the accounts tally to invoices	Yes	
	do the payments/cheques tally to invoices	Yes	
B 3	Vat is properly accounted for		
	are invoices vatable	Yes	
	is vat calculated correctly	Yes	
	has vat been reclaimed from HMR&C	yes	
C	the council assesses the significant risks to achieving its objectives and reviews the adequacy of controls to manage those risks		
	Are there clear objectives	Yes	See Parish Plan * report
	are risks to each objective identified	Yes	See risk register
	are those risks evaluated	Yes	
	are controls in place to ameliorate those risks	Yes	
	have arrangements been reviewed	Yes	
D 1	The annual precept requirement resulted from an adequate budgeting process		
	was there a budget	Yes	
	was it formally reviewed and approved by the council	Yes	
	was the precept notified to the billing authority	Yes	
D2	Progress against the budget was adequately monitored		
	Are regular financial reports made to the council	Yes	
	Does the council take appropriate action where necessary regarding potential budget over/underspends	n/a	
E	Expected income was fully received based upon correct prices		
	does the council have a scale of charges	N/a	
	was it approved by council	N/a	
	was the precept received in full	Yes	
	was income received on time and banked promptly	Yes	
	was vat charged correctly	N/a	
	was vat charged paid to HMR&C / netted of claim to HMR&C	N/a	

Ref	Question	Yes / No	Comments
F	Petty cash payments are supported by receipts		
	are there petty cash payments	No	Clerk incurs exp and reclaims
	are amounts backed by receipts	N/a	
	was approval gained, or payments within fin reg guidelines	N/a	
	was vat accounted for properly – vat number on receipt	N/a	
G	Salaries to employees and members allowances paid in accordance with council policies		
	are there council policies re employees and members allowances	Yes	Clerks sal / no member expenses
	have they been followed	Yes	
	have PAYE and NI been accounted for correctly, or	Yes	Paid gross but clerk is below tax threshold for total employment hence no paya
	is there evidence of correct self certification by employees / members		
H	Asset and investment registers are complete and accurate and properly maintained		
	Is there an asset / investment register	Yes	
	is it updated for acquisitions and disposals in a timely manner	Yes	
	is it reported to council	Yes	
I	Bank reconciliations are carried out periodically and at year end		
	have bank reconciliations been carried out	Yes	
	are they accurate	Yes	
	were they timely	Yes	
J 1	Year end accounts were prepared on a correct accounting basis, agreed with the cash book and supported by an adequate audit trail		
	is there a cash book	Yes	
	are there accounts	Yes	
	are the accounts accurate	Yes	
	are the entries in the accounts backed by adequate evidence	Yes	
J 2	Where appropriate are debtors and creditors properly recorded		
	are there debtors	No	
	are they recorded properly	n/a	
	is recovery action carried out	n/a	
	are write offs approved by council or within fin reg limits	n/a	
	are there creditors	Yes	
	are they paid promptly	Yes	
K	Did the authority correctly declare itself exempt from limited self Assurance in 2022/23	no	
L	Is the information on the website up to date	yes	
M	Did the authority demonstrate provision of public right of inspection. For the year 2022/23	yes	
N	Did the authority comply with the AGAR requirements for 2022/23	Yes	
O	Have the Council met its responsibilities as trustees of Trust Funds where appropriate		
	Does the council hold trust funds	No	
	Have Trust funds been accounted for properly	N/a	
	Have Trusts been monitored by the Council	N/a	
	Have custodial trustee roles been properly exercised	N/a	