

Pinchbeck Parish Council

Internal Auditors Report

Year Ended 31 March 2023

Introduction

I have carried out the Internal Audit of Pinchbeck Parish Council for the year ended 31st March 2023.

Internal Audit Opinions

Unqualified internal audit opinions have been issued on the relevant areas prescribed by the Annual Internal Audit Report included on the Annual Governance and Accountability Return (AGAR) (Part 3) which is required to be submitted by the Parish Council to the external auditors PKF Littlejohn LLP. The summary that follows is broadly in line with those areas.

It has been a particularly challenging year due to the cost of living crisis and the sad passing of Queen Elizabeth II, but it is appreciated that Pinchbeck Parish Council rose to those challenges as they did with the impact of the pandemic and ensured a continued service to its residents.

It is noted that the work on the new planned cemetery is underway and will offer an improved amenity to its residents.

I also note that the Parish Council failed to approve its AGAR 2021/22 in time to publish it within Accounts and Audit Regulations but correctly posted the notice of conclusion of audit on the Parish website.

Summary

Appropriate Books of Account

Appropriate accounting records have been properly kept throughout the financial year in question.

The computerised Cash Book from Quickbooks has been kept up to date throughout the year and was accurate in its compilation.

Reconciliations are carried out monthly which proved that the records were in order. Similarly, the yearend accounts were also balanced off successfully.

The Council's Standing Orders/Financial Regulations

The Parish Council has complied with its financial regulations, payments were supported by Invoices and all expenditure was appropriately approved.

The Council has in place Standing Orders and Financial Regulations which have been approved by the Council and are frequently reviewed.

The Council have a particularly good record of approving its expenditure and a detailed review shows that payments are supported by valid trade invoices.

Risk Assessment

The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council are aware of its role in carrying out and updating its various risk assessment procedures as and when necessary.

In addition, the insurance values are reviewed annually by virtue of the index linked insurance policy.

Internal Control Risks within the Office environment are reviewed as far as possible within a small office by the appropriate separation of duties where possible. In addition, the Council also have an appointed Finance Committee.

Budgetary Controls

The Precept requirement resulted from an adequate budgetary process; progress against the budget was monitored; and reserves were appropriate.

The Finance Committee of the Council prepares a budget which is then submitted to the January meeting of the full Council for member's final approval. This process is satisfactory.

The precept budget for the year 2022/2023 was agreed by Council on the 18th January 2022 showing a 4.08% decrease on the previous year.

Reporting of income and expenditure against budget is presented quarterly and action taken when and if any variances occur.

Reserves held by the Council at the 31st March 2023 have reduced slightly over the year but in line with expectations due to the installation of new play equipment.

The accounts show that the precept was underspent showing good budgetary control and reserves show a high content of capital receipts therefore I believe that the reserves are at an acceptable level.

Income Controls

Expected Income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT has been appropriately accounted for.

Aside from the Precept levied on South Holland District Council, the main income to the Council is the land rents of £35,622.

Cash and Cheques are banked regularly by the officers and found to be accurate.

Payroll Controls

Salaries to employees were paid in accordance with the Council's approvals, and PAYE and NI requirements were properly applied.

The Council approves all staff salaries in accordance with the National Association of Local Council circulars.

Deduction of PAYE and NI are applied and paid over to HM Revenue and Customs.

Asset Controls

Asset registers were complete and accurate and properly maintained.

An Asset register exists and is updated regularly.

Bank Account Reconciliations

Periodic and year-end bank account reconciliations were properly carried out.

The production of monthly bank account reconciliations from Quickbooks are in existence and proves the finances are correct.

Year End Procedures

Accounting statements prepared during the year were prepared on the correct accounting basis, agreed with the cash book, supported by an adequate audit trail from the underlying records, and where appropriate debtors and creditors were properly recorded.

The Council's Quickbooks accounting package produces the required figures on an Income and Expenditure basis, to enable the final figures on the Annual Governance and Accountability Return to be supported.

Other Risk Areas

There are no other risk areas which I consider need bringing to the members attention.

Acknowledgement

May I thank the Council's Clerk, Mrs Barbara Camps for her kind help and assistance during the course of the audit, this is very much appreciated.

Kirsty Russon

Internal Auditor

18th May 2023