Darrington Parish Council Internal Audit Report

Completed by Scott Currell Davis, 4th June 2024

Introduction

The purpose of this report is to fulfil the requirements of an internal audit of the financial accounts for Financial Year 23/24 and to ensure that:

- Appropriate accounting records have been kept
- Council's financial regulations have been met
- Council assessed the significant risks
- Budget and forecasting was completed
- All payments were properly supported by receipts
- Account reconciliations were properly carried out

This report will follow the same format of the 22/23 report. During 2023/24 there were 57 items of expenditure, which can be tracked through the accounts to demonstrate whether there is a governance process in place.

This process consists of the expenditure being approved during the monthly Parish Council meetings and captured within minutes subsequently signed by the Chair to demonstrate the approval of the transactions. There is subsequently the ability to track the expenditure through the accounts via bank statements and bank account monthly summaries.

Following this the monthly summary of accounts are presented at each Parish Council Meeting, which then reviews the budget, actuals and forecast for the remaining financial year.

Audit Sample

To determine whether the above process has been adapted, a sample of 6 random transactions was selected for audit.

TRANSACTION SPOT CHECK						
Check No.	1	2	3	4	5	6
Transaction type	Purchase invoice	Purchase invoice	Reimbursement	S137 Grant payment	Purchase invoice	PWLB Loan Repayment
Supplier/Customer	JJ Electrical Solutions	First Impressions	F. Gray (JRB Enterprise)	Yorkshire Air Ambulance	Nick Dyas	United Kingdom Debt Management Office
Invoice/Transaction No.	36-2324	45-2324	22-2324	43-2324	17-2324	18-2324
Invoice/Transaction date	14.12.2023	11.01.2024	10.08.2023	14.12.2023	13.07.2023	13.07.2023
Goods/services supplied	New armoured cable to Christmas tree bed	19 Christmas Trees with lights and 17 plaques	Dog waste bags	Donation	Gardening maintenance	Repayment of loan for lamp posts
Ledger date	14.12.2023	11.01.2024	10.08.2023	14.12.2023	13.07.2023	13.07.2023
Ledger Reference	36-2324	45-2324	22-2324	43-2324	17-2324	18-2324

Item/Budget heading	Armoured cable	Christmas Trees	Dog waste bags	S137	Maintenance	Loan payments – street lighting loan
Ref/cheque No.	36-2324	45-2324	22-2324	43-2324	17-2324	Direct debit
Authorised by	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	2 x authorised signatories	Council meeting
Order Minute Ref	November 2023	December 2023	July 2023	December 2023	July 2023	July 2023
Delivery evidence	Cable installed	Christmas trees with lights & plaques	Dog waste bags	None	Cut grass in the village	Payments up to date
Payment minute ref	36-2324	45-2324	22-2324	43-2324	17-2324	18-2324
Insurance value	TBC	n/a	n/a	n/a	n/a	n/a
Payment value	£1,380.00	£2,671.80	297.60	£250.00	£160.00	£1,104.17
O/S Statement value	£0.00	£0.00	£0.00	£0.00	£0.00	£17,534.52
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded	Yes	Yes	Yes	n/a	n/a	N/A
S137 recorded in ledger	n/a	n/a	n/a	Yes	n/a	N/A
S137 minuted	n/a	n/a	n/a	Yes	n/a	N/A
Notes	Has the Christmas tree armoured cable and box been added to the asset register and has it been added on the insurance policy?	Have the Christmas tree brackets and plaques been added to the asset register and insurance policy?	-	No evidence of receipt on file	-	Loan is for upgrade of the lamp posts – these do not belong to the Parish Council and therefore not insured by the Parish Council
Pass	√	√	√	√	√	√

Following the audit of the sample transactions it can also be demonstrated that each month there are summaries of account, budgets and forecasting information which are filled with the monthly minutes, even where monthly minutes were not available.

There is also evidence that the VAT return for 2023/24 was submitted and this value was recognised within the income for the Financial Year.

Recommendations

Whilst there are no significant areas of concern, it is recommended that the Council considers implementing the below suggestions to ensure that it remains up to date with current governance policies and procedures:

1. Identify and minute legal powers for each expenditure decision made (this was also suggested in my 2022/23 audit report);

2. Consider exploring and implementing more secure and appropriate document storage and communication capabilities to ensure GDPR compliance.

Conclusion

In conclusion to this audit, there is a fully auditable process in place which is managed by the Responsible Financial Officer and relevant governance is in place to ensure that all transactions are approved and accounted for accordingly.

Signed: ____________________

Dated: 07/06/2024