

15th May, 2023

E Cole
The Lodge
Winfarthing
Diss, Norfolk
IP22 2EN

Dear Chairman and Councillors,

Internal Audit Report to Winfarthing Parish Council for Year Ended 31 March 2023

For the Attention of the Council

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

I have inspected the Council's manual records to 31st March 2023, having examined your accounts and found them to be well maintained and up to date, correct and regularly balanced. I have also examined invoices and bank statements from 18.6.22 and compared these to the Receipts and Payments account and the accounts and agreed payments recorded in the Minutes of Council meetings.

I would like to draw Council's attention to the payment query for the donation to Royal British legion, see notes B.ii.

I note that from July 2022, invoices have been authorised by two councillors and payments are approved and minuted by Council.

I see that Section 137 Expenditure has been separately recorded in the accounts sheet 1/4/22 – 31/3/2023 (but not identified in the manual cashbook) and at £450 is within your statutory limits.

It is recommended that CIL receipts should be detailed as an "Earmarked Reserve"

Recommendation A.iii

See notes A.i to A.iv

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

I have examined your invoices as presented to me and note that from July 2022 payments have been approved by the Council and VAT was properly accounted for and reclaimed. I note that the VAT reclaim made for 2021/22 of £60.94 was paid in May 2022 and the VAT reclaim made for 2022/23 in the sum of £173.49 agrees with the cashbook.

Please see Notes B.i to B.iii

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

I note that the Council has reviewed its Financial Risk Assessment procedures in March 2023 which were adopted (06032023/7.4) and are due to be reviewed in March 2024. I have not seen evidence that financial controls are in place and this has not been included in the financial risk assessment, other than at year end.

I have offered Council suggested Risk Assessment criteria to aid their review.

A Litter pick risk assessment has been adopted and is published on the Council's website and I note in minutes 06032023-18 that this will be Reviewed and adopted prior to the next Litter pick.

I believe that, through the coming year, Council is to review Risk generally and introduce Risk and Safeguarding policies and also will review the scope and value of its insurance.

Please see Notes C.i to C.vi

Standing Orders and Financial Regulations adopted and applied - I note that your Standing Orders were reviewed and adopted in March 2023 and are due to be reviewed in March 2024.

Financial Regulations are in place and were reviewed and adopted in March 2023 and are due to be reviewed in March 2024. I recommend that Council appoint a Member to check the finances quarterly.

See Recommendation C.iv

Insurance - I have reviewed the Council's insurance with Zurich to ensure the insurance cover is adequate and I am advised this will be reviewed by Council, following a review of the Asset register. The cover was from 1 June 2022 to 31 May 2023 and I note that you have a 1-year Term Agreement.

See Recommendation C.i

The Asset register was reviewed for Council approval in March 2023 and should be reviewed again, prior to Insurance review, checking sums insured for renewal.

See Recommendation E.ii

D. The Precept or Rates requirement resulted from an adequate budgetary process; progress against the Budget was regularly monitored; and reserves were appropriate.

I have had sight of the Budget for 2023/24 and Budget 2022/23 and confirm that the Precept was agreed through an adequate budgetary process. The budget was reviewed against actual, and reserves have been reviewed and increased where necessary and are appropriate.

I am advised that the Precept for 2022/23 was agreed and the form was completed for submission to South Norfolk District Council and in 2022/23 payments have been received totalling £4,124.16.

The Precept for 2023/24 of £4,330.00 has been agreed and is recorded in the Minutes of 05 December 2023, 5.5. and the form was completed by the Clerk and signed by the Chairman.

Internal financial controls should be documented and I understand these will be reviewed.

See Recommendation D.i – D.iv

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

Income Controls

I note that all income is recorded and banked properly, and the Precept agrees with the Parish Council's notification to the Council Tax authority. The Parish Council has very few cash transactions and adequate controls are in place to minimise any loss.

I would like to draw Council's attention to the receipt query for rental income, see notes E.i. and "O" re land holdings.

VAT Payments Controls

I confirm that all VAT expenditure has been recorded separately and reclaimed at regular intervals as noted above.

- F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.**

Petty Cash Procedures

I note that the Parish Council does not operate a petty cash system, but cash payments are accounted for and claimed on an expense sheet which is supported by receipts with VAT appropriately accounted for and approved by Council.

- 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.**

Payroll Controls

I have examined the PAYE records for the Clerks Salary and her expenses records. The Clerks salary and expenses have been approved by the Council and PAYE has been properly operated by the Council as an employer.

Contract of Employment and the Job Description have been examined and are appropriate for the job. The Clerk has been paid in accordance with the salary scales in her contract with an increase in hourly rate during the year. I am unable to evidence that a salary increase was approved by the Council and noted in the Minutes and am not aware that a letter of confirmation was sent to the Clerk.

See Note G.i.

I wish to draw Council's attention to salary payments made to the previous Clerk and unpaid tax.

See Note G.ii and Gv Recommendation.

- H. Asset and investments registers were complete and accurate and properly maintained.**

Asset Controls

I have examined the Council's Asset Register and note that the assets were reviewed by the Clerk for Council approval April, 2023. see 6th March 2023 minutes item 7.1. A laptop was purchased during the year and should be noted as an acquisition on the Register.

See Recommendations H.i. to H.v.

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

Bank Reconciliation

I have examined the Bank Statements and the Receipts and Payments Book and confirm that there have not been Bank Reconciliations for the Barclays Bank accounts during the year. At year end I can verify the accuracy of the Reconciliation on the Accounts sheet. A reconciliation should be carried out bi-monthly or quarterly for council meetings and explanations entered for any un-reconciled amounts or outstanding payments. The total value of the investments should be summarised on the reconciliation as Earmarked reserves.

See Notes I.i. and I.ii.

- J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**

Year-End Procedures

I can confirm that the year-end accounts are prepared on a Receipts and Payments basis and that the accounts agree with the cashbook with an appropriate and adequate audit trail. **For reference please see Note 5.i**

I note that the Council has completed the Annual Governance and Accountability Return 2022/2023 Form 2 where the higher of gross income or gross expenditure did not exceed £25,000. I note that the Council has yet to certify themselves as exempt from a limited assurance review. I wish to draw Council's attention to Section 2 of the AGAR, as presented, requires amendment.

See Notes J.i to J.v.

- K. IF the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")**

The Council met the criteria and I am advised by the Clerk that The Parish Council declared itself exempt (not minuted), the AGAR form was completed together with the Certificate of Exemption as 09052022 and confirmed as sent to the External Auditors. The Exemption Certificate has not been published on the website.

Notes K.i to K.iii.

- L. The authority published the required information on a website/webpage, up to date at the time of the internal audit, in accordance with any relevant Transparency Code requirements and the relevant legislation.**

I have examined your website, <http://winfarthingparish.norfolkparishes.gov.uk/> and found that it does not meet the requirements of the Transparency Code and all relevant documents have not been published on the website at the date of this audit.

It is a legal requirement for councils to publish a website accessibility statement on its website. I have examined your website and cannot find audit evidence of a website accessibility statement. The Council should review and effect accessibility changes to its website, discuss and adopt a Website Accessibility Statement and review this annually.

There is a requirement to adopt and publish a General Data Protection Regulation Policy and an information audit to be undertaken which details the personal data held by the Council or Councillors – Please refer to GDPR Policy and information audit document, copies supplied.

See Notes L.i to L.vii.

- M. The authority, during the previous year (2022-23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations. During the 2022-23 AGAR period were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set?**

I have examined your website and noted that the Exercise of Public Rights statement has not been published and I am unable to find audit evidence that Council complied with the publication requirements.

See Notes M.i. to M.iii.

- N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).**

I have examined your website and cannot find audit evidence that Council complied with the publication requirements for 2021/22.

See Notes N.i. and N.ii.

- O. Trust Funds (including charitable) – the Council met its responsibilities as a Trustee**

I note two Trusts, **Winfarthing Village Hall**, where Winfarthing Parish Council is the sole Trustee, Charity No. 304119 "Provides and maintains Village Hall for hire by general public" and **Winfarthing Parish Trust** (6 Trustees - all are/were Parish Councillors, Charity No. 1110437, which owns land at Long Lane, Winfarthing. I note that a financial return was made to the Charity Commissioners 30.9.2022.

I have not been able to verify that meetings of the Trustees are held separately from meetings of the Council.

See Notes O6.

I am unable to evidence that the Council met its responsibilities as a Trustee to the charity Trust Fund **Winfarthing Parish Trust** and I would ask the Council to review this, together with the recording of its asset/s on the Council's Asset Register. I note that the last

return to the Charity Commission was dated 01.04.2022. I have not been able to verify that meetings of the Trustees are held separately from meetings of the Council.

Matters for the Council's Attention arising from the Internal Audit Report 2022/2023.

Please see the accompanying sheet: Observations, Notes and Recommendations to accompany the Internal Audit Report for the Financial Year 2022-23.

I would like to thank the Clerk, Ellie Cole-Broatch, for a neat presentation of the accounts and for her help and co-operation in preparing for the Internal Audit.

Yours sincerely,


Christine Hall

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