

I have completed an internal audit of the accounts for Rackheath Council for the year ending 31 March 2019. My findings are detailed below using the tests provided in the Governance and Accountability (England) 2018

# Rackheath Parish Council

## Internal Audit Report

### For Rackheath Parish Council

### Financial Year 2018/19

Including Explanatory Notes for Annual Return  
(where a 'no' has been marked)

Prepared by Catherine Moore  
10<sup>th</sup> June 2019

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I have completed an internal audit of the accounts for Rackheath Council for the year ending 31 March 2019. My findings are detailed below using the tests provided in the Governance and Accountability (England) 2016.

Internal Control	Test	Observations / Recommendations
Proper bookkeeping	Is the cash book maintained and up to date?	Yes
	Is the cash book arithmetically correct?	Yes
	Is the cash book regularly balanced?	Yes
Standing Orders, Financial Regulations, and Payment Controls	Has the Council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	May 2018
	Date Financial Regulations last reviewed	May 2018
	Has a Responsible Financial Officer been appointed with specific duties?	Yes – Clerk
	Have items or services above the de minimus amount been competitively purchased?	N/a
	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	Yes – see comment
	Has VAT on payments been identified, recorded and reclaimed?	Yes – see disclaimer
	Is S137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	Yes
Risk Management Arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the Council carrying out an annual risk assessment or review of their risk management scheme?	Yes
	Is insurance cover appropriate and adequate?	Yes

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Internal Control	Test	Observations / Recommendations
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary Controls	Has the Council prepared an annual budget in support its precept and has this been minuted as being approved?	Yes
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the Council?	Yes
	Are there any significant unexplained variances from budget?	No
Income Controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	Yes
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices / receipts?	N/a
	Is petty cash expenditure reported to each Council meeting?	N/a
	Is petty cash reimbursement carried out regularly?	N/a
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the Council?	Yes
	Are salaries above the National Living Wage / Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the Council?	Yes

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Internal Control	Test	Observations / Recommendations
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes
Asset Controls	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
	Does the asset insurance valuations agree with those in the asset register?	Yes
Bank Reconciliation	Is there a bank reconciliation for each account and is this reported to Council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments or Income and Expenditure)	Yes – Receipts and Payments
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	N/a
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes
	Have points raised on the last Internal Audit report been considered by Council and actioned?	Yes
Transparency: For smaller	Are minutes for the whole year on the website?	N/a

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Internal Control	Test	Observations / Recommendations
councils with turnover under £25,000	Are agendas for the whole year on the website?	N/a
	Are payments over £100 detailed on the website?	N/a
	Have electors' rights been advertised on the website?	N/a
	Are councillors' responsibilities detailed on the website?	N/a
	Is the last financial year's Annual Return on the website?	N/a
	Are the land and building asset details on the website?	N/a
Councils that are Burial Authorities	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/a
	Have fees for the cemetery been reviewed and agreed by the Council?	N/a
	Were comparisons made with other cemeteries prior to setting the fees?	N/a
	Have burial books been kept up to date and are they safely stored?	N/a
Councils with Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	N/a
	Have fees for the allotments been reviewed and agreed by Council?	N/a
Councils with Charities	Have Charities reported and accounted separately?	N/a
	Have Charity accounts been independently audited?	N/a
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/a
General Data Protection Regulation (compliance from 25/05/2018)	Has the Council adopted a Data Protection Policy?	Yes
	Has the Council carried out an information audit?	Yes
	Has the Council put in place Privacy Notices?	Yes

Internal Control	Test	Observations / Recommendations
	Has Data Protection been built into the general procedures, processes and policies of the Council?	Yes

**Summary of Recommendations:**

- The receipts vouchers were incomplete for half of the year, therefore my review has not covered the accuracy of invoices and receipts up to the end of November 2018 (with the exception of a few). However these receipts tallied in the cash book and bank statements, and are commensurate with previous years.

**Disclaimer:**

I understand that the Council has taken the advice of The Parkinson Partnership in relation to the VAT treatment of the Pavilion extension. Therefore my review has not covered the accuracy of this element of the VAT.

Signed: ..... *CEM CORE* ..... Date: 12-6-19 .....

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	Have burial books been kept up to date and are they safely stored?	N/A
	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A
	Have Charities reported and accounted separately?	N/A
	Have Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limits?	N/A
	Has the Council adopted a Data Protection Policy?	Yes
	Has the Council carried out an information audit?	Yes
	Has the Council put in place Privacy Notices?	Yes