

Boston Spa Parish Council - Internal Audit Report

For the Full Financial Year 2021/2022

The audit covered the full financial year 2021/2022 and was undertaken on 10 May 2022.

Findings	ATD Req.	Actioned	
		Initials	Date
Book-keeping			
Cash book entries are maintained on a monthly basis and are up to date. Accounts are printed and filed on a monthly basis.			
All records examined were found to be arithmetically correct.			
The cashbook is balanced at each month end to latest bank account statements. The NatWest current account statement is monthly. The Council also holds deposits of £85,000 with Cambridge & Counties Bank (until May 2024) and £110,000 with Nationwide Building Society (Instant Saver). Latest statements provided for these accounts are May 2021 and March 2021 respectively. It is again noted that the NatWest current account and Nationwide Building Society balances both exceed the £85,000 protection limit under the Financial Services Compensation Scheme and it is recommended the Council consider spreading their funds to ensure maximum/full protection.	✓		
S137 expenditure is separately recorded within the cashbook and year-end figures.			
Standing Orders and Financial Regulations compliance			
Standing Orders (dated May 2021) and Financial Regulations (dated May 2020). Minute 120/21 indicates approval of these statutory documents though the Financial Regulations available via the Council web site indicates review was due 17 May 2021. The document should be updated to reflect the review undertaken in May 2021.	✓		
The Clerk to the Parish Council is appointed as the Responsible Finance Officer.			
Appropriate quotations and tendering has been undertaken for purchases above the de minimus levels.			
A list of Members Interests is held at democracy.leeds.gov.uk and at the Members page of the Council web site.			
Payment Controls			
All payments are correctly minuted and authorised for payment. All sampled payments were supported by appropriate invoices.			

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Cheque books / stubs have been provided and show the issue of only one cheque in June 2021 (previously there had been no use of cheques since November 2019).			
VAT on payments has been identified and reclaimed.			
No unusual financial activity has been identified.			
Risk Management Arrangements			
The Council carries out regular Risk Assessments. This was last reviewed and agreed by the Council in May 2021 (minute 121/21).			
Insurance cover is provided through 2x policies with Zurich and Ansvar (for the Village Hall). Cover is commensurate with the Asset Register held on file which was approved by the Council in May 2021 (minute 120/21).			
Financial controls are documented and reviewed regularly.			
Budgetary Controls			
The 2021/2022 precept was £53,800. This and the annual budget were agreed in January 2020 (minute 005/21). In December 2021 the Council prepared and approved a budget for 2022/23 with a revised precept of £55,466 (minute 306/21).			
Expenditure against budget is recorded on a monthly basis and presented to the Council. Variance against budget is adequately reported.			
Income Controls			
Income has been correctly recorded and promptly banked.			
The precept received agrees with the approved budget.			
Petty Cash			
No cash is handled on a day-to-day basis.			
Payroll Controls			
The Clerks contract of employment and evidence of agreed rates to be paid have been provided previously to the Auditor. Clerks hours were increased to 16 per week in April 2020 (there is no formal minute but e-mail correspondence is provided). Salary calculations conform to the approved rates of pay. Latest pay review was agreed in March 2022 (minute 067/22).			

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Other payments made to employees are reasonable, supported by receipts and approved by the Council.			
PAYE calculations are on file and payments are up to date.			
Asset Controls			
The Council maintains an Asset Register of all material assets. The Register provided is dated May 2021 and minute 120/21 indicates formal approval of the Asset Register. A further Asset Register dated May 2022 has been provided within the documents submitted for this audit.			
Insurance policy information has been provided. Cover levels were discussed and approved by the Council in April 2020 (minute 090/20) and March 2021 (061/21). Adequate insurance is seen to be in place at a level commensurate with the Asset Register.			
It is noted that a transfer of the Village Hall property to the Village Hall Management Committee (on formation of a Charitable Incorporated Organisation "CIO") was agreed, subject to certain conditions, in April 2021 (minute 92/21). The transfer has been progressed (minute 251/21 from October 2021) confirming deed of transfer as being ready to sign. A further Asset Register dated May 2022 has been included within the documents provided to assist with this audit and indicates disposal of the Village Hall took place 30 November 2022. It is assumed that 30 November 2021 is the correct date of transfer.			
Bank Reconciliation			
There are adequate and regular bank reconciliations. The reconciliation is carried out to the cash book monthly for the NatWest current account plus 2x deposit accounts (with balances on the deposit accounts at the year-end unchanged from the initial sum invested).			
There are no unexplained balancing items.			
Year End procedures			
Year-end accounts are prepared on an income and expenditure basis.			
Accounts agree with the cash book.			
There is an audit trail from the underlying financial records to the accounts.			
Debtors and Creditors at the year-end are accurately recorded within the bank reconciliation.			

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Sections 1 and 2 of the Annual Return were both approved and appropriately minuted in May 2021 (123/21 and 124/21).			
e-mail, Websites, IT and Data Protection			
The Councillors all have bostonspapc.org.uk e-mail addresses.			
Registration with the Information Commissioners Office (ICO) is evident. Certificate ZA092267 has been provided (expiry date 25 January 2021).			
The Council has policies related to Data Protection, Freedom of Information and Records Management. There are no policies related to the use of social media and this may be something the Council wish to consider.	✓		

This report covers the findings of an audit carried out on a random sampling basis; therefore it should not be assumed that areas of concern may not exist within the financial records which were not identified within the sample selected for audit. The audit was conducted on 10 May 2022 based on the accounts file and supporting documents provided by the Clerk.

Richard Dorsey
Internal Auditor
10 May 2022