FINAL

Internal audit report 2023/24

Visit 1 of 3

HAYDON WICK PARISH COUNCIL

Date: 4th December 2023

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Introduction

This report contains a note of the audit recommendations made to Haydon Wick Parish Council following the carrying out of internal audit testing remotely on 15th and 17th November 2023.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the requirements of later IA sections of the AGAR.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2023/24 (which will be between April and June 2023) will contain the audit opinion.

The following areas were reviewed during this audit visit:

1. Proper book-keeping
2. Risk Management (minutes review)
3. Income
4. Petty Cash
5. Payroll
6. Exemption (confirmed not covered)
7. Transparency
8. Public Rights
9. Publication

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	1
Low	3
Info	0
TOTAL	4

I would like to thank Jodie Smart, Finance Officer & Deputy RFO for her assistance during this audit.

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
3.1 – Minutes amendments	I reviewed the minute to confirm that there was no unusual financial activity. I found no such activity, but did note that: Community Development - Min CD171 of the meeting of 04/04/23 refers in error to the meeting of 04/03/23. The March meeting date was 07/03/23. - There is a duplicated reference (Min CD069) in the minutes of the meeting of 05/09/23 Personnel - Min 4 of the meeting of 17/04/23 refers in error to the meeting of 23/01/23. The January meeting date was 11/01/23 Finance and Policy The website link to the minutes of the meeting of 20/06/23 opened a set of Parks and Open Spaces minutes in error. This was corrected during the audit Planning and Highways - Min PH028 of the meeting of 15/08/23 does not include in the resolved section confirmation that the minutes were a true record - There is a space on the website for the minutes of the meeting of 19/09/23. In fact, the Committee did not meet separately, but the Council minutes of an earlier meeting held that day record the Council's decisions. A note will be made on	L	Amendments to be noted at future committee meetings.	Meetings Administrator Clerk of relevant meetings.	End Feb 2023 (to ensure all meetings held)

	the website to ensure that interested parties can find the records of the decisions made on that date I recommend that any necessary amendments are made in order to ensure that the approved minutes are a complete record of Council business and decisions.				
5.1 – Recode bank overpayment to balance sheet	I checked to see that a sample of income was properly recorded and promptly banked. I found that income was properly recorded for all samples, and 5/8 samples were promptly banked. For 2/8 samples, the amounts owed have not yet fallen due. For 1/8 samples, relating to a reimbursement for costs associated with the summer spectacular, the amount due was received 117 days after the date of the invoice, with payment delayed due to the long term absence of one of the debtor's members of staff. I did note during a review of income that £150 relating to a bank error has been coded to 1199/101 (Miscellaneous income). This relates to the bank showing £150 too much as the total banked for the day. This is being investigated. As the money relates to a bank error which is under review, and is due to be repaid to the bank, it should be recorded on the balance sheet as a type of creditor. This will ensure that it does not affect reported income, and that it will remain visible in the accounts.	L	Income to be moved to 'other creditors'.	Finance Officer	December 2023.
7.1 – Check difference on June payroll reports	I checked to see that PAYE/NIC had been properly operated by the Council as employer. Reports are run on the Brightpay payroll system. There was a difference on the amount due to HMRC for the sample month, with the payroll summary showing a total due of £11,779.44, but the P32 (the summary report which shows the liability to HMRC) showing a balance	L	Brightpay to be contacted	Finance Officer	December 2023

	of £11,801.04, a difference of £21.60. The higher amount was paid to HMRC within the deadline. It is not clear what the difference relates to, but the Finance Officer and Deputy RFO has confirmed that the current balance on the HMRC control account is correct, being equal to the month 7 liability plus a small prior month difference of £5.76 which has now been cleared. I recommend that Brightpay is asked to check the system in order to see if the difference can be identified.				
7.2 – Consider design of timesheet to enable clear analysis of core and overtime totals	I checked to see that a sample of other payments to employees were reasonable, properly supported and approved by the Council. I found that the layout of the timesheets for one member of staff was confusing, and that it was not possible to prove the total and split of hours worked over a four week period. I recommend that the Council considers redesigning the timesheet with one column of rows for the date, day and note of work done, and a number of other columns into which the total time spent for each day on e.g. core hours, bank work, TOIL, meetings etc can be analysed and totalled for the work. Where there are brought forward and carried forward balances (e.g. for TOIL and bank) these could be included at the top and bottom of each sheet, in order to ensure that a complete record is maintained.	M	New timesheet to be devised to fall in line with other staff members' layout.	Deputy Clerk and Services Manager	December 2023.