

## MOSTON PARISH COUNCIL

### INTERNAL AUDIT REPORT – FINANCIAL YEAR 2022-23

The Internal Audit has been undertaken with reference to page 4 of the Annual Governance and Accountability Return 2022/23, and Section 4 of the Governance and Accountability for Smaller Authorities in England Practitioners Guide 2022. The opinion formed during the Internal Audit is based on the evidence provided in the form of documents, accounts and receipts etc., in addition to consultation with the Clerk.

Area covered	Observations	Recommendations
Appropriate accounting records.	Accounting records are kept on a spreadsheet.	
Financial regulations, payment controls and VAT.	<p>The sample of payments checked, had supporting documentation. Before the arrival of the current clerk, authorised expenditure was not itemised in the minutes, although a brief note was made.</p> <p>There were no petty cash transactions.</p> <p>VAT paid is recorded in the cashbook, and a repayment claim is submitted once or twice a year. Due to the low volume and value, this seems reasonable.</p> <p>There were two VAT repayments relating to 21-22 received in the year (July and September 22). It is not clear why the receipts were so close together, or so late. A claim for 22/23 had not been prepared at the time of the audit.</p>	<p>Recording payment authorisation in the minutes provides documentary evidence of the controls in place.</p> <p>Ensure claims continue to be made on a timely basis.</p>
Risk management	<p>The council undertook an assessment of risk in the period. Approval was documented in the minutes, and the register dated as such. No inspection of assets is recommended.</p> <p>A review of the minutes did not identify any unusual activity by the council.</p> <p>Public liability insurance of £10m seems an adequate level of cover.</p>	<p>Consider if annual inspection of assets should be performed to identify potential risks.</p>
Budgetary controls	<p>An annual budget was prepared. Discussion on spending of current and proposed projects appears in the minutes, showing some level of control over spending. Although reported, there is no explanation of variances to budget.</p>	<p>Review and explain variances to budget to identify unexpected transactions, and issues that should be taken into account for more accurate budgets going forward.</p>

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Income controls	All income is banked and recorded properly. Due to the regular and limited nature of income, differences year to year are easy to identify.	Review of variances should be documented.
Payroll controls	Salaries are processed by Shires Pay Services, ensuring accurate calculation of net pay and tax and RTI filing with HMRC.	
Asset controls	The council maintains an asset register. This was signed off at the year-end. No asset inspection was evidenced.	Date of inspection and any comments/recommendations should be noted on the register.
Bank reconciliation	Bank reconciliations are done on a regular basis and presented at meetings. The cashbook is reconciled to the bank at the year-end.	
Accounting statements	The financial statements are prepared on the correct basis and agree to the accounting records.	
Exemption	The criteria for exemption from a limited assurance review in 22/23 were met.	
Public rights	The 2021/22 AGAR and Notice of Public Rights had been published on the website.	

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