

INTERNAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March 2024

Nash Parish Council

I have carried out an internal audit in accordance with the Council's needs and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

Internal Audit opinion

Based upon the documents and evidence presented to me my opinion is that :-

The internal controls put in place during 2023/24 were adequate for the Council's purposes.

In my opinion the following points need to be made:-

1. Control objective F - Petty cash

The council does not operate a petty cash system.

Recommendation –

That the council does not use a petty cash system

2. Accounts

The Council made a surplus in the year and the accounts for 2023/24 were as follows

Income	£ 4,247.34
Expenditure	£ 4,002.75
Net surplus	£. 244.59

The Balance sheet as at 31st March 2023 was as follows

Assets

Bank account £ 4,537.21

Funds held

General fund £ 2,557.84

Transparency fund £ 1,783.73

C.I.L fund £ 195.64

Total funding £ 4,537.21

1. Transparency fund

It should be noted that the Council spends time and monies maintaining the website which is required under the transparency regulations, hence some expenditure could be

legitimately charged against the transparency fund, thereby reducing its balance and increasing the general fund balance

Recommendation

The Council determine a reasonable figure for expenditure made on transparency and make the relevant adjustment to the transparency fund during 2024/2025.

2. Internet banking

The Council has moved to making payments via internet banking which is convenient and efficient. However this has lost the control of two signatories on the cheques (prior to payment).

The Clerk has ameliorated this loss of control as much as possible by getting councillors (a majority 4 of 7 councillors) to approve the payment prior to sending, and reporting those payments made to the council at the next meeting. However this still leaves a single person able to set up and send a payment. Some banks do have internet banking arrangements which require two different on line authorisations before the electronic payment can be made which puts back the control at point of payment.

Recommendation

The Council contact their bank to establish whether a two person authorisation system can be operated, and if there is a potential charge for such a system.

If such a system is introduced it would protect the Council from errors in payment, and give reassurance to the clerk that potential errors can be found before they are implemented.

Kevin Lawrence Adams bsc

09 April 2024

