

<b>REPORT</b>

<b>DATE</b>	28th July 2023
<b>COMMITTEE</b>	Full Council
<b>SUBJECT</b>	Internal Audit Report
<b>AUTHOR</b>	Interim Clerk

Whilst the Auditors Report is not what the Clerk or her Staff would wish to put before you, considering the very difficult and emotional year it has been we believe this reflects circumstances.

As the staff now have a better understanding of how various aspects of your work are managed and the software you use, we are confident that we now have a very positive basis from which to move forward in an effective and efficient manner.

Listed below are the Auditors conclusions and the Staff proposals or actions.

## Accounting Records

### Conclusion

i It is recommended that the cash book be written up each month and reconciled to the bank statements, any outstanding entries being identified and entered in the cash books on a monthly basis.

*This is now happening and the first three months for 2023/24 have already been done and will be presented to council at the August meeting.*

ii It is recommended that the bank reconciliations be carried out for all bank accounts on a monthly basis.

*Until the queries on 2022/23 are resolved we cannot guarantee any reconciliations on scribe are correct.*

## Corporate Governance

### Conclusion

It is recommended that the Clerk regularly reviews any amendments to Standing Orders and Financial Regulations issued by NALC and updated the Council's document according.

*This has now been added to annual Calendar in March for Councillors to publish in May.*

## **Expenditure**

It is recommended that VAT returns are submitted to HMRC for recovery on a quarterly basis.

*This is already being undertaken with Q2, 3 & 4 having been submitted for 2022/23 and the figure for Q1 2023/24 being presented to the August Council Meeting.*

## **Risk**

- i. It is recommended that Risk Assessments be carried out annually
- ii. It is Strongly recommended that a detailed inspections check list for the play area be introduced and that the monthly reports filed in the office.
- iii. It is Further recommended that a member of staff attend a Play Area Health & Safety Course.

*The Risk Assessment has been included in the Annual workplan for review in September.*

*We do have a monthly checklist; the Hall Manager is only doing inspections on an interim basis. The ongoing inspections should be discussed at the next meeting.*

## **Budget Control**

It is recommended that the council quantify any required Earmarked Reserves.

*Investigations will take place as to how you can show monies as earmarked reserves in scribe and prepare a policy for adoption in due course.*

## **Income**

It is recommended that this (scribe) accounting system hall booking software being utilised going forward.

*Clerk to investigate the cost of using this software and training for staff or look at alternative options.*

## **Salaries**

It is recommended that payments in respect of deductions of PAYE be made to HMRC on a quarterly basis.

*This is now happening and the first three months for 2023/24 have already been submitted and were presented to council at the June meeting.*

## **Asset Register**

- i. It is recommended that the additions to the Asset Register in the first part of the year under review be correctly recorded on the Register.
- ii. It is recommended that the possible addition of Fixed Assets to the Asset Register in the second half of the year under review should be reviewed and amended as necessary.



- iii. It is suggested that the photographic record of all fixed assets be expanded.

*Clerk suggests this is brought to the September meeting for the reviews to be undertaken. Clerk has noted that photo's are attached to the spreadsheet.*

## Investments and Loans

- i. It is recommended that the Council prepare an Investment Policy annually and that this Investment Policy be loaded on their website.
- ii. It is recommended that the Council obtain statements in respect of the Nationwide account as at 31<sup>st</sup> March each year.

*Clerk will research the Investment Policy and diarise for annual review. Bank statements for the current account will be requested as at the last day of every month and all savings account last day quarterly.*

## Statement of Account and AGAR


- i. There are matters arising in this area of our review warranting formal comment. The closing balance as reflected in the AGAR does not reflect the actual balance of funds held by the Council by virtue of the closing bank reconciliations being out of balance. It is recommended that Council employ an independent account to review and correct the posting made in the year to identify and correct the closing balance at year end.
- ii. On the basis of the work undertaken during the course of our review for the year, the Internal Audit Certificate in the Annual Return has been completed and signed assigning positive assurances in all areas with the exception of Internal Control Objectives 'A', 'C', 'H', and 'I' as previously mentioned in this Report.

*The Clerk has done detailed research on this and discovered many items which were not "checked" on scribe, thereby creating much of the difference. The error now stands at £364, rather than £24,624 at closedown. There appears to be some anomalies where items have been entered incorrectly, twice or not at all and the Clerk believes given time the closing balances will agree.*

## Clerk Suggested Action

Whilst Barling is financially not required to have an interim audit, it is suggested that one is undertaken in October 2023 to ensure that 2022/23 closing balance and reconciliations in 2023/24 are meeting requirements.

This was approved by Council on 28<sup>th</sup> July 2023 under minute reference 54/23-2.iii

Signed .....  ..... Chair

Signed .....  ..... RFO