

SDH Accountancy & Audit Services

Principal Sue Hackett
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Date: 26 April 2024

Dear Julia,

RE: WROCKWARDINE PC INTERNAL AUDIT 23/24 REPORT

I trust you and the council are well, the audit has been carried out remotely using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and best practice as documented in the Practitioners' Guide '23. I have completed the internal control objectives which support the Annual Internal Audit Report within the 23/24 AGAR positively. The following supports my conclusions:

Internal Control Objective	Findings	The objective has been achieved?
A. Appropriate accounting records have been properly kept throughout the financial year.	<p>The primary accounts record examined 1-4-23 to 21-3-24; (i.e. Scribe) were found to be accurate and complete providing a full audit trail.</p> <p>The opening balance was agreed to the previous year's AGAR and closing bank balance. Detailed testing of a sample of transactions per the accounts confirmed its accuracy. (See B & E & I below.)</p>	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	<p>A sample of 10 payments were agreed between the Scribe accounts and Council minutes, supporting payment authorisation. These were satisfactorily traced to supporting invoices.</p> <p>VAT was found to be appropriately accounted for within the accounts and Financial Regulations complied with.</p>	Yes

<p>C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>The Council's risk management policy and internal controls were last reviewed and adopted in May 2023. Financial Regulations and Standing Orders were last adopted by Council in May 2023; they will require amendment as procurement thresholds are increasing this year. A framework of additional policies also exist and have been adopted/updated during the year as required. Council assets are insured and regularly maintained. Trained councillors carry out regular play area inspections and an independent ROSPA play inspection has been carried out to ensure play equipment is safe and fit for purpose. Actions arising from the inspection are detailed within council minutes. The following are also checked as summarized below: Defibrillators – checked monthly by Clerk Street lights –checked by contractor -Eon Bus shelters- checked by councillors/Clerk IT & Office equipment - checked by Clerk</p>	<p>Yes</p>
<p>D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.</p>	<p>The Clerk/RFO provides a detailed financial report at meetings held; and reports banking balances; these are usually appendices to the minutes. Scribe enables a detailed budget monitoring report to be easily presented as requested by members. The Clerk/RFO tables a 6 monthly budget monitoring report.</p> <p>Budget Setting 2024-25 – F&GP committee with the aid of a Budget Monitoring & Forecast report prepared by the Clerk/RFO agreed a Draft Budget for 24/25 which was presented at the Full Council's November meeting. The Budget was formally adopted (Total Spend £104,305); interest and grant income are not taken into account. Council resolved that a Precept of £106,000 be requested; any surplus to remain in General Reserves.</p> <p>Reserves as at 31/03/2014 – The bank balance of £206,160 remains high. It comprises of earmarked reserves of £85,705 which is comparable with the previous year's EMR of £89,739 and reflects the Council's decision to continue to build its reserves to meet street lighting replacement needs and traffic management initiatives. The Council's Reserves policy requires that the General Reserve should equate to at least the precept i.e. £106,000 (24/25) plus 3 months staff costs approx. £8,000, i.e. .£114,000. The General Reserve is actually £120,455.</p>	<p>Yes; reserves were noted as remaining high, but compliant with council policy.</p>
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.</p>	<p>The following receipts were agreed to supporting documentation: Precept receipts totaling £93,880, a 22/23VAT refund of £6,717 . T&W grant of £1,500 and Nationwide Building Society interest.</p>	<p>Yes</p>

F. Petty Cash has been properly accounted for	Clerk/RFO confirmed that none was held therefore not examined.	Yes
G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.	<p>All pay calculations are processed using HMRC RTI software and are supported by the Clerk's contract, (last updated in Sept'21) and Council decisions. Monthly salary payments per Scribe were checked for reasonableness. Detailed salary costs are itemised for councillors every month and are evidenced as approved. Scribe reports support the AGAR Box 4 total, whilst the Clerk's P60 was agreed to Scribe.</p> <p>In April '23 back pay relating to the previous year was paid and the calculation found to be accurate. Period 9 and 10 salary calculations have also been checked and found to be accurate and in agreement with Council decisions and National Pay Scales. Period 9 included an authorised back dated NJC pay award. Tax, NI and pension deductions having been appropriately deducted.</p> <p>The Clerk keeps weekly & monthly timesheets and these together with annual leave card is presented via the Human Resources Committee to Full Council. There is an annual appraisal process.</p>	Yes
H. Asset and investment registers were accurate and properly maintained.	The Asset Register has been updated on Scribe to reflect in year acquisitions and disposals as at 31/3/24. Its total value for AGAR purposes is £199,442 which reflects in year movement. No investment register is required.	Yes
I Periodic Bank Reconciliations were properly carried out during the year	The Clerk regularly presents financial reports and bank reconciliations to Council at meetings. These bank reconciliations have been minuted as approved at the meetings; two were agreed to bank statements by the auditor. Bank reconciliation as at 31/12/2023 and 31/3/2024.	Yes.
J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<p>Scribe accounting statements prepared during the year were prepared on the correct accounting basis; receipts and payments.</p> <p>The 23/24 Scribe yearend accounting statement has been prepared accurately on a receipts and payments basis, and is supported by the yearend bank reconciliation. This has been used to complete Section 2 of the AGAR. (A rounding difference of £1 being acceptable.)</p> <p>Sample testing supported the accuracy of the Scribe accounts.</p>	Yes
K The Council appropriately certified itself as exempt from a limited assurance review by external audit in 2022/23 .	Not applicable as both total receipts and total payments exceeded £25,000.	Not covered; as N/A
L. Council publishes information on a website up to date at the time of the internal audit, in accordance with legal requirements.	The Council's website was found to be informative and up to date when examined in respect of Minutes, Policies and Financials. (Examined 29/2/24, 20/4/24.)	Yes

M In 22/23 Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations.	The appropriate Notice for the Exercise of Public Rights was issued 1/6/23 following the Council's meeting. (Dates of inspection 5/6 -14/7/23.) The 22/23 AGAR was confirmed as having been published on the website following its approval at the Council's May'23 meeting enabling the proper opportunity for the exercise of public rights. (Website examined 29/2/24).	Yes
N. The Council has complied with the publication requirements for the 2022/23 AGAR	Following receipt of the External Audit Report in September the complete AGAR version was uploaded on 27/9/23 together with a Conclusion of Audit notice. (Website examined 29/2/24).	Yes
O. Trust funds – the Council has met its responsibilities as a trustee.	The Clerk/RFO confirmed that the Council is not the sole trustee of such a fund.	Not Applicable.

The Council is due a limited assurance audit by external audit in 23/24 as total receipts and payments have once again exceeded £25,000. The Variance Analysis report will require full explanations re Boxes 4 and 7 to satisfy the external auditor. The Clerk/RFO Julia has provided adequate explanations to myself and has assisted the audit process.

Please feel free to share this with the Council, and feel free to contact me if you have any issues with the facts reported.

Best Wishes

Sue Hackett

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