

INTERNAL AUDIT REPORT FOR YEAR ENDING 31 MARCH 2023

By Yorkshire Local Councils Associations, Internal Audit Service

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| Name of Council | Acaster Malbis Parish Council | Name of Clerk: | CRAIG BOOTH |
| Internal Auditor's name and date of Audit | DONNA JOHNSTON – 01.05.23 | Name of RFO (if different) | |

Note: This Internal Audit is a 'point in time' audit. You will agree the 'point in time' with your allocated auditor. Yes/No statements must apply on the date of the audit.

| | Internal Auditor Observations |
|--|--|
| Last year's internal audit – Minute reference of when this was reported to council. | 9 th May 2022 32.2 |
| Review of the Effectiveness of Internal Controls – evidence of internal controls checklist and minute reference of review. | NO – Regular internal control checks carried out by nominated Councillors. |
| Annual Governance and Accountability Return for previous year on council's website | YES |

| | AGAR Part 2 Internal Control Objective | Objective Met Yes/No, N/A or Partly | Internal Auditor Observations |
|---|--|--|--|
| A | Appropriate accounting records have been properly kept throughout the financial year. | YES | |
| | Were there regular financial reports to the council including bank reconciliations, bank statements (all accounts), report comparing budget against spend, evidence of payments being approved by the Council (in the minutes), evidence of receipts received (minutes). (For the whole financial year). | YES | |
| | Was S137 expenditure recorded in the minutes and highlighted (column or otherwise), in the cash book? | N/A | S137 not used – Report provided to confirm |

| | AGAR Part 2 Internal Control Objective | Objective Met Yes/No, N/A or Partly | Internal Auditor Observations |
|----------|--|--|---|
| B | This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for. | YES | |
| | Financial Regulations reviewed annually and in line with NALC model | YES | Suggest noting the date of review on the document on the website after review at the annual meeting. The Financial Regulations should be fully adopted to the Council's needs including date of adoption and removal of NALC references. |
| | Audit trail for all payments (council minute agreeing the spend, invoice, evidence of signatory councillors authorising the payment, either on cheque stub or record of BACS transfer authorisations, | YES | Suggest that Councillors sign the invoice to indicate their approval of the payment. (This may be included on the paper copies but wasn't on the PDF copies submitted) |
| | IA actions: a. Separate column in cash book b. VAT has been reclaimed in the current financial year (either for this year or for last year). c. Spot check invoices for accuracy to see that amount being reclaimed concurs with the VAT 126 form. | YES | Unable to check VAT 126 for 2022/23 as it was not provided. Last years VAT 126 was provided, reclaimed and received. |
| C | This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | YES | |
| | Risk Assessments document in place and reviewed annually: a. Overarching risk assessment schedule – for all risks assessed. b. Where appropriate, more detailed operational risk assessments c. Evidence of the review | YES | |
| | Insurance cover appropriate, adequate and reviewed annually: a. Ensure there are the mandatory insurances in place, ie employers liability. b. Fidelity insurance is not mandatory but under S114 of the LGA 1972 there is a requirement for the Council to take some security measures of this kind. If there is no fidelity insurance in the policy, question how the Council has fulfilled this duty. | YES | |

| | AGAR Part 2 Internal Control Objective | Objective Met Yes/No, N/A or Partly | Internal Auditor Observations |
|----------|---|--|---|
| D | The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate. | YES | |
| | Is there an annual budget to support precept demand? | YES | |
| | Level of reserves within proper practices? | YES | Just over 12 months' expenditure in general reserves. |
| E | Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT was appropriately accounted for. | YES | |
| | Expected income was fully received | YES | |
| | Expected income properly recorded and banked | YES | |
| | VAT accounted for where relevant on income | YES | |
| F | Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for. | N/A | |
| | Petty cash used yes or no | NO | |
| | If yes, supported by receipts? | | |
| | If yes, expenditure approved by council? | | |
| | If yes, VAT on petty cash payments appropriately accounted for? | | |
| G | Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | N/A | |
| | Amount paid corresponds with salary approved by the council for the year | N/A | No paid employees at the present time |
| | PAYE scheme in place | N/A | |
| | PAYE and NI deductions properly applied | N/A | |
| | | | |

| | AGAR Part 2 Internal Control Objective | Objective Met Yes/No, N/A or Partly | Internal Auditor Observations |
|----------|--|--|---|
| | Are any allowances paid to councillor? If so, were they treated correctly? | N/A | No Allowances paid |
| H | Asset and investments registers were complete and accurate and properly maintained. | YES | |
| | Register of assets exists and complies with Proper Practices in The Practitioner's Guide and is up to date | PARTLY | An asset register is on the website from 2020/21 but an up to date register wasn't provided for this audit. |
| I | Periodic bank account reconciliations were properly carried out during the year. | YES | |
| | Bank reconciliations are produced with reasonable frequency and reconciled to the bank (checked by council using bank statements) | YES | |
| J | Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | YES | |
| | a. Agree to the cash book? b. If the accounts are produced on an I&E basis, are debtors and creditors properly recorded | YES | |
| K | If the authority certified itself as exempt from a limited assurance review in 2021/2022 (last year). It met the exemption criteria and correctly declared itself exempt. | YES | |
| | Council resolution to declare exemption (2022), made at the correct time, i.e., after year end not before | YES | |
| | Certificate of Exemption completed and sent to external auditor | YES | |
| L | The authority publishes information on a free to access website/webpage up to date at the time of the internal audit, in accordance with any relevant Transparency Code requirements. | YES | |
| | Internal auditor to check website to ensure that this criteria is met against the Transparency Code checklist. | YES | |

| | AGAR Part 2 Internal Control Objective | Objective Met Yes/No, N/A or Partly | Internal Auditor Observations |
|----------|--|--|--------------------------------------|
| M | The authority during the previous year (2021/2022) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set). | YES | |
| | The authority published the exercise of public rights notice on its website | YES | |
| | The authority minuted the dates for the exercise of public rights | YES | |
| N | The authority has complied with the publication requirements for the 2021/2022 AGAR | YES | |
| O | Trust funds (charitable) – The council met its responsibilities as a trustee | N/A | |
| | Does the council hold separate meetings as a Trustee (please provide example set of minutes) ? | | |
| | Has the council completed separate accounts for the charity and submitted necessary returns to the charity commission during the year (please provide evidence of separate accounts record and submissions to charity commission)? | | |

| Transaction Spot Check – 6 checks of each. | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| Check No. | 1 | 2 | 3 | 4 | 5 | 6 |
| Cheque stubs initialled | NO | NO | NO | NO | NO | NO |
| Cheque number in cash book | N/A | N/A | N/A | N/A | N/A | N/A |
| Payment approval minuted | YES | YES | YES | YES | YES | YES |
| Invoice value correct | YES | YES | YES | YES | YES | YES |
| Minute value correct | YES | YES | YES | YES | YES | YES |
| Cheque value correct | YES | YES | YES | YES | YES | YES |

| | | | | | | |
|---|--------------|---|---------------|--------------------|------------------------------|-------------------------------|
| Timely payment | YES | YES | YES | YES | YES | YES |
| VAT recorded in cash book | YES | YES | YES | YES | YES | YES |
| S137 recorded in cash book (if appropriate) | N/A | N/A | N/A | N/A | N/A | N/A |
| S137 minuted | N/A | N/A | N/A | N/A | N/A | N/A |
| PAYE payments timely | N/A | N/A | N/A | N/A | N/A | N/A |
| Notes | 1. Scribe | 2. Advanced Computer Solutions | 5. E-Buyer | 10. Wel Medical | 19. York Digital Image | 20. Johnsons of Whixley |

| Annual Governance and Accountability Return | | |
|--|--------------------------------------|--------------------------------------|
| | Year ending 31 March 2022 | Year ending 31 March 2023 |
| 1. Balances brought forward | 9,631 | 15,465 |
| 2. Annual precept | 4,553 | |
| 3. Total other receipts | 3,463 | |
| 4. Staff costs | 0 | |
| 5. Loan interest/capital repayments | 2,182 | |
| 6. Total other payments | 15,465 | |
| 7. Balances carried forward | 15,465 | |
| 8. Total cash and investments | 15,465 | |
| 9. Total fixed assets and long-term assets | 9,763 | |
| 10. Total borrowings | 0 | |

Figures in AGAR not checked due to not being provided.

| Internal Auditor's concluding comments |
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| Internal audit carried out by: | D M Johnston (Signed - on behalf of Yorkshire Local Councils Associations, Internal Audit Service) | D M Johnston (print) |
| Date | 1 st May 2023 | |
| <i>For internal auditor's use only</i> | | |
| Internal audit section of AGAR completed, signed, and sent to YLCA. | 01.05.23 | |
| This Internal Audit Report completed and sent to YLCA | 01.05.23 | |

A final note:

A list of mandatory and best practice documents is attached for the council's reference. The 'search documents' facility on the YLCA website includes lots of templates/example policies and procedures.

Should the council require any advice/guidance on any of the Internal Auditor's observations in this report. Please submit a 'request advice' ticket on the YLCA website.

Thank you for using the YLCA Internal Audit Service