

Catherine Nutting  
Clerk to Plaistow and Ifold Parish Council

4 December 2023

Dear Catherine

**Plaistow and Ifold Parish Council**

**Interim Audit 2023-24**

Following the interim audit completed remotely on 4 December, I attach my report for consideration by the Council. This was the first of two audits I intend to carry out to support my opinion on the 23-24 Annual Governance and Accountability Return (AGAR). I covered the following at this visit:

- Review of opening balances and reporting of 22-23 audit opinion
- Follow up previous recommendations
- Testing of expenditure first 7 months of financial year
- Testing of income – first 7 months of financial year
- Risk management and insurance
- Salaries and wages
- Budget monitoring reports
- Arrangements for inspection of accounts
- Bank reconciliations.

I am pleased to report that financial controls at the Council have continued to improve since my last audit. I have no recommendations at this time.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they are considering the Authority's approval of the annual governance statement. I am required by Section 4 of the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of testing carried out at the interim audit.

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## **A - Appropriate books of account have been kept throughout the year**

### **Interim Audit**

The Council uses the RBS Rialtas Alpha accounting system to record day-to-day transactions. The system is used monthly to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered, the hard copy reports are easy to read and logically filed. Key reconciliations are completed monthly. The Clerk is the sole user of the RBS system.

I was able to agree the opening balances in the cashbook back to the audited accounts for 22-23. Box 7 in last year's audited accounts was £62,881. This has been agreed to the opening trial balance, less accruals. I am satisfied that the opening balance on the accounting system is accurate.

The Council's most recent VAT return was completed for the period July to September 2023. VAT reclaimed has been agreed to a schedule of transactions on the VAT report, produced by the accounting system. This was submitted to HMRC on 3 October 2023. The claim has been refunded by HMRC, I have checked it into the bank account. I am satisfied that the Council is up to date with VAT.

## **B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for**

### **Interim Audit**

Standing Orders and Financial Regulations are reviewed every May at the Annual Council meeting. I confirmed the 2023 review took place (minute c23/084.) NALC templates are followed for both documents. The Council is aware that a redraft of the model financial regulations is being worked on by NALC. This will need to be taken into consideration when the Council next reviews its own regulations.

The Council follows the following process to make payments to suppliers. Invoices are received from suppliers in course of each month. A receipts and payments order is then prepared for each monthly council meeting, listing all receipts and payments to be approved at the meeting. This document is published with the agenda. The receipts and payments order is noted within minutes of the Full Council meeting, and authorisation to pay invoices is recorded via electronic signature from the Clerk, Chairman and Chair of Finance Committee, and 2 other councillors. Once this approval has been obtained, the Clerk makes payment by bank transfer on the Council bank account. This is a robust system, I make no recommendation for change.

I sampled a number of transactions, selected from the Council's cashbook for the first 8 months of 23-24. For all transactions tested, I was able to confirm that

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- Payments could be agreed to invoices
- VAT correctly accounted for
- Payment included in a monthly payment list, signed off electronically by the clerk and 3 councillors
- Payment reported retrospectively to a Council meeting and this payment minuted.

**C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

**Interim Audit**

The Council is insured with Hiscox, arranged by Gallaghers, on a standard local council package. The policy was in date at time of audit, with an start date of 12 May 2023, valid until the policy is cancelled. The Cricket Pavilion is insured, assets insured are listed below:

Premises address	Sum insured
Cricket Pavilion, The Green Plaistow, Billingshurst, RH14 0PX	£61,049

Item description	Excess	Amount Insured
Total Buildings	£250	£61,049
Gates and fences	£250	£7,915
Fixed outside equipment	£250	£907
Street furniture	£250	£81,697
War memorials	£250	£0
Playground equipment	£250	£59,365
Sports surfaces	£250	£0
Other surfaces	£250	£33,680
Rent receivable	£250	

Money cover is sufficient at £250K.

The Council risk register is scheduled to be considered at the Council meeting in December 2023. I will therefore review this at my year end audit.

All computer data is Office 365 based and held in the Cloud, computer information is properly backed up. Data also backed up to hard drive. The RBS Alpha back up file is created whenever the system is used, back up is saved to one drive.

I discussed the area of cyber risk with the Clerk, and note that the Clerk has reviewed cyber insurance options with the insurance broker. It is recommended that the Council completes a cyber risk assessment, and that a decision on cyber insurance is considered as part of this process.

**D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

**Interim Audit**

The process for setting the budget and precept for 24-25 is underway. The first draft budget will be prepared at a meeting with the Chair of Finance Committee in early December 2023. This will involve a line by line review of the budget. A meeting of Finance working group will review the draft budget, with budget and precept due to be approved at Full Council meeting on 9 January 2023, before the CDC deadline.

The Finance Committee conducts quarterly budget reviews. These are published on the website and in minutes. I checked the Quarter 2 review. This was conducted on 11th October 2023, F/23-24/014 pg. 2 All documents are published on the website. The projected deficit at the end of Quarter 2 was £17K, against a budgeted deficit of £15K. I am satisfied that the Council is meeting financial regulations in this area.

I will review reserves at my year end audit.

**E - Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

**Interim Audit**

I reviewed the cashbook. There is minimal non precept income – I will test income at year end.

**F - Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.**

Satisfactory. My testing confirmed that the Council does not use petty cash.

**G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.**

I tested the Clerk's salary for September 2023. I agreed payment from cashbook to the monthly payroll summary report from WSCC. I then agreed Clerk's pay to payslip. Gross pay was recalculated and agreed back to

- JNC pay award for 22-23 ( 23-24 not yet agreed in September)
- Minutes of Full Council in December 2022, confirming Clerk's pay.

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I note that at 10th November Full Council, the Council ratified the annual pay rise for 23-24.

I am satisfied that the Clerk is being paid the rate of pay approved by the Council.

**H - Asset and investments registers were complete and accurate and properly maintained.**

Year-end test

**I – Periodic and year-end bank account reconciliations were properly carried out.**

**Interim Audit**

I was able to confirm that the bank account is reconciled to the cashbook each month and that it is reviewed at Finance Committee meetings. I re-performed the bank reconciliation for October 2023. I tested the following.

- Checked arithmetic
- Agreed balances to RBS accounting system and to bank statements
- Confirmed that the bank reconciliation has been sent to the Chair of the Finance Committee and that this will be signed at the next meeting of the Committee in January.

The Council is currently drawing up an investment policy. This must be finalised, as all councils with more than £100K of cash or deposits are required to have an investment policy in place ( Statutory Guidance on Local Government Investments 3<sup>rd</sup> edition)

**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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.**

Year-end task

**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**

The requirements of the Transparency Code 2015 do not apply to Plaistow and Ifold Parish Council, as gross income and expenditure is below £200K. However, I can confirm that an archive of AGAR documentation is published as required by regulations alongside other information such as grants awarded.

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## **M - Arrangements for Inspection of Accounts**

Inspection periods for 22-23 accounts were set as follows

<b>Inspection - Key date</b>	<b>22-23 Actual</b>
<b>Accounts approved at Full Council</b>	14 June Full Council
<b>Date Inspection Notice Issued</b>	15 June
<b>Inspection period begins</b>	16 June
<b>Inspection period ends</b>	27 July
<b>Correct length</b>	Yes

All regulatory requirements were met in this regard.

## **N: Publication requirements 22-23 AGAR**

The audit certificate, Statement of Accounts and Annual Governance Statement have been published on the Council website. The external audit certificate is dated 23 August. The Conclusion of Audit certificate is also published, dated 31 August 2023, before the statutory deadline of 30 September. The audit certificate was reported to Full Council in September - minute C/23/124, and a clear audit certificate was reported, bar a minor point about audit information requested in the other matters section of the certificate.

The Council has met publishing requirements.

## **O - Trust funds (including charitable) The council met its responsibilities as a trustee.**

The Council is the sole trustee of the Plaistow Playing Field Charity ( charity 305404) at the time of my audit (Nov 23) the 22-3 Annual Return had been submitted to the Charity Commission. Reporting requirements have been met. Separate meetings of the trust are held, the Clerk shared minutes of the November 23 meeting and the agenda for the December 23 meeting of the Charity.

I would like to thank you for your assistance with the audit and wish you well in your new job. I attach my invoice, and will be in touch in February with the new clerk to make arrangements for the year end audit.

Yours sincerely



Mike Platten CPFA

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## Appendix A – Recommendations

### Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
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The Council is currently drawing up an investment policy.	This must be finalised, as all councils with more than £100K of cash or deposits are required to have an investment policy in place ( Statutory Guidance on Local Government Investments 3 <sup>rd</sup> edition)	

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