

Audit Report & Risk Assessment of Financial systems' internal controls for Oliver's Battery Parish Council.
Prepared by the Responsible Finance Officer on 04/12/2023

No.	Internal Control Tests	Findings
1	Proper Bookkeeping	
1.1	Is the cashbook maintained and up to date? Format used?	The Cashbook is maintained on an Excel Spreadsheet and is to be prepared up to 31 st March 2024.
1.2	Is the cashbook arithmetically correct?	Cashbook is analysed into cost centre headings with full cross casting to confirm overall totals.
1.3	Is the cashbook regularly balanced?	The Clerk confirmed that the Cashbook is prepared at the end of each financial year when it is balanced by cross casting and confirmed by full bank reconciliation. Balances are reported to each Parish Council meeting.
2a	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted Standing orders and Financial regulations & dates approved?	Financial Regulations were last reviewed and adopted at the meeting of the 17 th May 2022 as minute ref [22/8.8]. Model Standing Orders have been reviewed and were adopted by the Parish Council at the meeting of the 17 th May 2022 as minute ref [22/8.7].
2.2	Has a Clerk/RFO been appointed with specific duties noted in both his contract & Financial regulations?	The Clerk is RFO and the duties are detailed in the Financial Regulations revised in 2022. The Clerk has a formal contract of Employment and Statement of Particulars and these were signed on the 8 th August 2022
2.3	Have items or services above a de minimis amount been competitively purchased?	There is no de-minimis level set within the Parish Council's financial regulations. However, normal levels of competitive tending still apply where quotations are required to be approved by the Full Council. The Financial Regulations were first adopted in December 2013 [min ref 13/115.5] and were reviewed and re-adopted in May 2019 [min ref 19/8.5]. as recorded in 2.1 above they have also been reviewed more recently.
2.4	The General Data Protection Regulations (GDPR)	Following on from the GDPR coming into force the Parish Council publishes a privacy notice on its website and will undertake a Data Audit to identify where all data is held and for how long.
2b	Payments Controls	
2.5	Are payments in the cashbook supported by invoices, authorised and minuted?	Proper invoices support all payments, which are cross referenced by bank transfer request and then Financial Regulations cover various levels for tenders etc. A payment schedule is prepared each month by the Clerk/RFO and submitted to the Parish Council, where it is approved and minuted. Any one of the two councillors

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		(from the total of approved signatories) then authorise orders for payment.																																
2.6	Has VAT on payments been checked, recorded and reclaimed? Frequency & refunds into which A/c?	Proper VAT invoices are provided when relevant, with VAT checked and entered in separate coding column within Cashbook. VAT is reconciled monthly and recorded on a separate excel spreadsheet. A VAT claim was submitted on 13 th April 2022 to claim outstanding VAT since March 2021. This claim was for a total of £2,759.26																																
2.7	Is Section 137 expenditure separately recorded & in limit?	The set limit for 2023-24 if applied, is the number of parishioners at 31 st March 2023 (1281) x Section 137 rate for 2023-24 (£9.93 per elector) = Total limit £12,720.33																																
3	Risk Management Arrangements																																	
3.1	Does a scan of the minutes identify any unusual financial activity, projects, events etc.?	Any financial aspects for special projects & events are discussed by Council, and minutes stating financial implications involved.																																
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/BMX/skateparks regularity of checks & documentation?	As at the 31 st March 2023 the Asset Register was as follows. <table border="1" data-bbox="1019 762 2038 1428"> <tr> <td>Freehold of the Battery (gifted asset)</td> <td>£1.00</td> </tr> <tr> <td>Freehold of the Recreation Ground (gifted asset)</td> <td>£1.00</td> </tr> <tr> <td>Freehold of parts of car park at front of shops (2 Nr) (gifted asset)</td> <td>£1.00</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Office Contents</td> <td></td> </tr> <tr> <td>Printer</td> <td>£137.49</td> </tr> <tr> <td>Gala Tent</td> <td>£1,239.65</td> </tr> <tr> <td>Thermal Imaging Camera</td> <td>£561.85</td> </tr> <tr> <td>Laptop</td> <td>£400.00</td> </tr> <tr> <td></td> <td>£2,338.99</td> </tr> <tr> <td>Playground Equipment</td> <td></td> </tr> <tr> <td>MUGA and Tennis Court at Recreation Ground</td> <td>£100,151.00</td> </tr> <tr> <td>Play equipment at Recreation Ground</td> <td>£68,212.00</td> </tr> <tr> <td>Benches, seats, picnic tables and bins at Recreation Ground</td> <td>£9,964.26</td> </tr> <tr> <td></td> <td>£178,327.26</td> </tr> <tr> <td>Street Furniture</td> <td></td> </tr> </table>	Freehold of the Battery (gifted asset)	£1.00	Freehold of the Recreation Ground (gifted asset)	£1.00	Freehold of parts of car park at front of shops (2 Nr) (gifted asset)	£1.00			Office Contents		Printer	£137.49	Gala Tent	£1,239.65	Thermal Imaging Camera	£561.85	Laptop	£400.00		£2,338.99	Playground Equipment		MUGA and Tennis Court at Recreation Ground	£100,151.00	Play equipment at Recreation Ground	£68,212.00	Benches, seats, picnic tables and bins at Recreation Ground	£9,964.26		£178,327.26	Street Furniture	
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3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG Cover level correct?	Insurance is now held with BHIB Councils Insurance Ltd policy number 100723637BDN/LCO01864 dated 1 st June 2023 covering the standard local Council aspects, renewable each June. The level of fidelity guarantee cover held is now £150,000. Robust and economic cover is now applied for the Council.																						
3.4	Are internal financial controls documented and reviewed regularly?	This is the first financial risk assessment for financial systems' internal controls produced in this format																						
4	Budgetary Controls																							
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & date?	The Full Council prepares a budget based upon the Parish Council requirements each November. Full Council ratifies this in December and then Winchester City Council is notified of precept required each January. The process for 2023-24 was completed at the meetings of the 10 th January 2023 (precept) minute ref [22/75.10] and the 2 nd May 2023 (budget) minute ref [23/9.6]																						
4.2	Is actual expenditure against the budget regularly	Actual expenditure is monitored and reported by the clerk on a monthly basis.																						

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	reported to the Council & minuted?	Appropriate action is taken by the Parish Council if required.
4.3	Are there any significant and unexplained variances on budget?	A process is in place to report significant variations whereby the Clerk will inform the Council of large variances. Any action required will be approved by Full Council.
5	Income Controls	
5.1	Is income properly recorded and promptly banked?	Although limited, any income received is recorded, banked promptly by Clerk/RFO into a Unity Trust Bank treasurers account number 20299309. The details are entered into cashbook to a relevant code.
5.2	Does the precept recorded in the cashbook agree to the DC's notification? Yearly review of scale of fees?	Precept received in April and September from Winchester City Council and paid direct into a Unity Trust Bank treasurers account number 20299309. A remittance advice is received to confirm transfer amount.
5.3	Are security controls over cash adequate and effective?	Very infrequent cash received but banked immediately if received.
6	Payroll Controls	
6.1	Does the staff salaries/wages paid agree with those approved by the Council & what is review frequency?	The Clerk is currently paid on the former Local Council Scale SCP 18-23 (pro-rot) as agreed and minuted by the Parish Council on 4 th April 2023 minute ref [22/103.2] The NJC pay scales used are those from 2020-21 where the rate of pay per hour is £14.42 from 1 st April 2020.
6.2	Are other expenses to the Clerk/staff reasonable and approved by the Council?	Casual user mileage @ 45p per mile is paid to the Clerk for travelling to meetings and training courses.
6.3	Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies/method?	The Parish Council uses the services of a Payroll Bureau for calculating the monthly salary to the Parish Clerk and for ensuring that Income Tax and National Insurance is deducted and paid over to HMRC on a regular basis.
7	Assets Controls	
7.1	Does Council keep an asset register of all assets owned incl. serial nos.? Annual physical check noted?	The Clerk holds an asset register on computer, analysed into types and locations. The insurance value of the total assets (all risks) is £450,000.
7.2	Are the Asset/Investments registers up to date, incl. disposals? Note all Investments held with a/c nos.	The Asset Register contains detailed descriptions of each item but does not show when the last physical check was carried out.
7.3	Do asset insurance valuations agree with those in the asset register?	The asset register valuation is currently confirmed with BHIB Councils Insurance Ltd to ensure that all items carry the correct valuation and this has been applied to the insurance policy.
8	Bank Reconciliation	
8.1	Is reconciliation for each bank account held?	Yes.

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	Note each account with bank/branch & a/c no.	Unity Trust Bank treasurers account number 20299309.
8.2	Are Bank reconciliations conducted on receipt of statements & with what frequency?	All accounts are reconciled to cashbook on a quarterly basis when the bank statements received.
8.3	Are there any unexplained balancing entries in any reconciliation?	No, all bank interest/charges, direct debits and standing orders were entered in Cashbook as per bank statements.
9	Year-end Procedures	
9.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Receipts and Payments basis.
9.2	Do the accounts agree with the cashbook codings?	Yes: Final end of year accounts confirm that entries made in the cashbook are accurate and agree to all bank accounts held by the Parish Council.
9.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Full cross referencing of cheque payments using cheque numbers and transaction referenced, and banking using paying in slip numbers into the cashbook and coding analysis occurs.
9.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels?	No debtors and creditors information is shown for financial year 2023-24 as this is done on a receipts and payments accounts basis

Signed *Brendan V. Gibbs*
RFO Oliver's Battery Parish Council.

Date 4th December 2023