Topcroft Parish Council

Internal Audit Report Financial Year 2023/24

Including Explanatory Notes for Annual Return
(where a 'no' has been marked)

Prepared by Peter Strange MBA, BSc, DTS.

3rd May 2024

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Name of council	Topcroft Parish Council	
Name of clerk	Sally Chapman	
Phone no for clerk	07774 734411	
Name of Chair	Peter Rout	
Total receipts	£3,689.43	
Total payments	£4,027.16	
Reserves	General £1,562.35	Earmarked £1,439.35
Website address: https://topcroftpc.norfolkparishes.gov.uk		
Clerk's e-mail address: topcroftpc@gmail.com		
Chair's e-mail address: peter.rout@btinternet.com		

I have completed an internal audit of the accounts and records for Topcroft Parish Council for the year ending 31st March 2024. My findings are detailed below using the tests provided in the Norfolk ALC training and guidance for Internal Auditors.

I would like to thank the Clerk / RFO for providing me with all the information required for the Internal Audit and for responding positively to my enquiries.

A. Appropriate accounting records have been properly kept throughout the financial year	The clerk maintains a set of electronic records as a cash book, supported by paper bank statements, cheque book. The records are up to date and well maintained. These records are routinely and regularly reconciled and reported to members at the bimonthly parish council meetings. Council minutes are up to date and have been initialled.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	The council has in place a set of standing orders and financial regulations that were last reviewed in March 2024. Following a recommendation by last year's internal auditor, threshold limits have been reviewed and lower limits have been raised (need for 3 quotes for contracts above £30,000) have been raised however in some SOs where an upper bound is described the limit has remained at £25,000 such that a lacuna exists as to what happens to contracts between £25,000 and £30,000. **Recommended that this anomaly is removed**

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Council carried out an annual risk assessment or review of their risk management scheme which was minuted at the March 2024 meeting. Insurance cover is appropriate and adequate.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	The precept was agreed at the November 2023 meeting and the request was lodged with the district council in an appropriate and timely fashion. Progress against the budget is monitored at every meeting of the council. Reserves stand at the equivalent of approximately 75% of one year's expenditure, this is on a par with previous years; however, **members may wish to consider raising this over time to 100%, which is recommended as a more prudent level**.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	Income was all properly received and accounted for. VAT was properly claimed and accounted for.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Topcroft PC do not operate a petty cash system.
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	The clerk is the only employee. Her salary is properly reported and approved, and PAYE and NI are properly applied and accounted for.
H. Asset and investments registers were complete and accurate and properly maintained	The council maintains an asset register which was last updated in March 2024. Assets are valued at acquisition cost. The council has no loans or investments.
I. Periodic bank account reconciliations were properly carried out during the year	The bank accounts are reconciled prior to every meeting (2monthly) and at year end
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	Accounts are based on receipts and payments supported by physical evidence which married to the cash book.

debtors and creditors were properly recorded	
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt	The council correctly declared itself as exempt from review in 2022/23.
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation	Topcroft has properly published relevant information on: www.topcroftpc.norfolkparishes.gov.uk
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations	Public rights have been properly advertised on Topcroft pc's website and are minuted. The availability period was sufficiently long and included the first 10 working days in July
N. The authority has complied with the publication requirements for 2022/23 AGAR	Yes all items are freely available via the website
O. Trust funds (including charitable) – The council met its responsibilities as a trustee	Not applicable

<u>Summary of recommendations</u>

Section B ensure that the upper limit for contracts that require no tendering process and the lower limit for those that do, match at £30,000.

Section D members consider raising the level of reserves to the equivalent of 1 year's expenditure – approx. £4,000.

Peter Strange
May 2024