

# REPORT BY THE INTERNAL AUDITOR FOR ALSTON MOOR PARISH COUNCIL NOVEMBER 2023

Ian Pennell (AAT, 2017)  
Hayring Farm  
Nenthead  
ALSTON  
Cumbria  
CA9 3LW

Email: [iapennell@yahoo.co.uk](mailto:iapennell@yahoo.co.uk)  
Telephone: 01434- 381347

## **INTERNAL AUDIT REPORT FOR ALSTON MOOR PARISH COUNCIL TO 31<sup>ST</sup> OCTOBER 2023**

I confirm that I have on 18<sup>th</sup> November 2023, undertaken an Internal Audit for the seven months ended 31<sup>st</sup> October 2023 in accordance with Account and Audit Regulations (2015) as outlined in the Audit Plan approved by Council. This incorporates new requirements outlined in the JPAG Practitioners' Guide (NALC) March 2023.

All documents and accounting records were provided to me by e-mail and in person by the outgoing Parish Clerk, who has been very helpful in providing all information required. I referred to the Council Website and Charity Commission website (for Charities the Council/ Members were Trustees of) to confirm compliance with other statutory obligations.

I have checked through the following areas in my Report, with my findings as follows:

### **1) Proper Bookkeeping**

There are no problems with the bookkeeping but for a couple of understandability issues whereby two large receipts received in August 2023 were recorded in the accounts, it is obvious what these relate to.

### **2) Standing Orders/Financial Regulations/Policy Documents**

The Council complies fully with Standing Orders and Financial Regulations (the latter updated Sept. 2022). The Parish Council uses a Model Standing Order Policy, although Standing Orders was last updated in 2019. All Policy documents on the website.

### **3) Invoice procedure/ Audit Trail**

A random selection of Invoices paid in this period. For most there was a clear Audit Trail from invoices issued (or received for payment due) through the accounts to bank-statements. However, for one invoice there was no clear Audit Trail.

### **4) Bank Reconciliation**

The Accounts are reconciliated to bank-statements monthly and they accurately show the Financial Position of the Council. A Member validates the reconciliations with a signature on bank-statements every month. But for one month, August 2023, there are different totals for Opening Balance plus Income and Closing Balance plus Expenditure. It's unclear how this reconciles.

### **5) VAT**

VAT incurred since the start of the financial year totalling £1,946.53, has yet to be reclaimed from HMRC.

### **6) Cash Balances at the Bank/ Investment Strategy**

The balances in the bank-accounts on 31st October 2023, total £129,714.70. The Council has an Investment Strategy (as per Sect. 15(1) (a) of the Local Government Act (2003)). This was updated in June 2023.

### **7) Internal Financial Controls/ Tendering Process**

The Council's Financial controls remain very robust, with regular checks on the Council finances, Bank-reconciliations, etc. This fulfils all reporting requirements. The Tendering process remains robust.

### **8) Security of Public Funds and Employees/ security of Public Spaces**

No significant concerns.

### **9) Risk Management/ Assets Risk Assessment/ Insurance**

The Risk Assessment and Assets Risk Assessment are both up to date, having been updated in March 2023. The Insurance against these risks with new provider BHIB, at just £556.91 to the Council alone, is excellent value-for-money.

### **10) Precept/ Budgetary Control/Variations**

The Precept for 2023-2024 was agreed by the Council at the Precept Meeting on 16th January 2023. As at the end of October 2023 the Parish Council remains within budget.

### **11) General Power of Competence (GPC)/Section 137 Spending.**

The Council retains GPC following local council elections in May (Item 15, Minutes of 15<sup>th</sup> May 2023 Meeting).

### **12) Debtors/ Income Controls**

No concerns. Internal checks on debtors remain robust, with follow-up of late- payers.

### **13) Employment Contracts and Pay/ Payroll Controls**

The new Parish Clerk is paid according to her Pay-grade for 2022-2023 (as per NALC guidelines and as stipulated by her new Contract). The outgoing Clerk was also paid as-per her 2022-23 Pay grade. The Payroll is done on time and PAYE is correct.

### **Asset Register**

The Asset Register is updated to 31 March 2023. The value of Assets totals £14,394.40 and this total is correct.

### **14) Annual Report (2023) – Financial Report 2022-2023**

There was a discrepancy between the total Expenditure reported in the Annual Report 2023 and the total Expenditure calculated from that reported in the AGAR because £683.00 of 2021-2022 expenditure (which had not cleared the bank on 31 March 2022) was included in the 2022-2023 total Expenditure in the Annual Report 2023. Consistency is important.

### **15) Transparency Legislation/ Website/Registers of Interest**

No serious problems to report. There remain a few broken/ missing links on the Website although some of these identified in May 2023 have been fixed. The Website is being updated to reflect the changes to county-level government administration.

The Council is liaising with the new Westmorland and Furness Council to ensure that the links to Councillor Registers of Interest- actually work. The Council is compliant with all transparency legislation.

### **16) Annual Governance and Accountability Return (AGAR) 2022-2023/Notice of Public Rights**

This is correct, approved by AMPC on 5<sup>th</sup> June 2023 (Items 17 in the minutes) and it is now on the Parish Council Website. The notice of Public Rights was published on the Website on 2<sup>nd</sup> July 2023, and it is compliant with all statutory duties.

### **17) Alston Moor Parish Council: Trustee Obligations.**

The Parish Council fulfils all legal obligations as sole Trustee of Alston Town Hall.

### **Recommendations and Conclusions**

I can confirm that the Parish Council is fully compliant with all Account and Audit, and Transparency regulations and other legal requirements. The Parish Council has a robust system of accurately recording, checking, and dispensing Public funds. Where I have raised issues with the Clerk (RFO) and in my Reports, these have always been dealt with promptly.

The only significant concern that I would raise is the matter of clarity and consistency across all accounting records. It should be possible to identify every transaction, to find out what it was for and with regards to whom, and see it recorded in the accounts and bank-statements. Understandability is an important Accounting concept to keep in mind. In all other respects there are no concerns regarding the internal Financial operation and management of Alston Moor Parish Council.



Ian Pennell- Internal Auditor 18<sup>th</sup> November 2023