



BARNES | COOPER

ACCOUNTANTS & BUSINESS ADVISORS

Mollington Parish Council

Independent Internal Audit Report 2022-2023

1. Background

1.1 Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of the SLCC, NALC, CIPFA, The Department of Housing, Communities and Local Government (DHCLG), The Department of Environment, Food and Rural Affairs (DEFRA), The National Audit Office and a representative of the external audit firms appointed to smaller authorities.

1.2 Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made up of 3 sections along with an annual internal audit report which is to be completed by the Parish Council's independent internal auditor who is to give an opinion of the Parish Council's internal controls.

1.3 CDALC have provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

2. Objectives of the audit

2.1 To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Work and the areas of Audit Work examined

3.1 The scope of Work covers the ten key control tests identified in the AGAR.

3.2 To properly complete the audit the following areas of activity have been examined and tested by Internal Audit;

- Payroll
- Income collection and Banking arrangements
- Creditors & Expenditure
- Budgetary Control
- Asset Register
- Debtors
- Risk Management
- Accounting Records

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3.3 The audit findings of this report have been discussed with the Clerk of the Council and any audit recommendations have been agreed with her.

4 Findings

PAYROLL

4.1 The Parish Council has 2 employees who work standard hours and are paid in accordance with NJC pay scales. They both have Contracts of Employment which are reviewed annually.

4.2 The payroll is processed by the clerk and all payments are made through the bank. Due to an issue with the HMRC website there have been some underpayments in the year and there is an outstanding balance at 31st March 2023 of £720.32

INCOME COLLECTION AND BANKING ARRANGEMENTS

4.4 There were only ten bankings during the year amounting to £20613.59. The major item was the CWAC Precept in the sum of £14000 and the only other significant receipt was £3605.10 being a CIL payment relating to Eden House

CREDITORS & EXPENDITURE

4.5 All expenditure analysed on the excel spreadsheet was checked to the bank. Most of the annual expenditure relates to payroll costs and a check was made to invoices for the remainder. There were no discrepancies.

BUDGETARY CONTROL

4.6 The Budget for 2023-24 was approved at the meeting held on 17th January 2023

4.7 Minutes of the various meetings showed regular updates of all Income and Expenditure and the minutes of 29th November 2022 noted that the application to add names to the existing bank signatory mandate had been resubmitted.

ASSET REGISTER

4.8 A copy of the Asset Register was provided and assets are adequately covered by Insurance.

DEBTORS

4.9 There are no accounts raised for debts as all transactions are paid by cash cheque or transfer directly to the bank.

RISK MANAGEMENT

4.10 The Council has a formal risk assessment in place which covers financial and management risk
Controls are in place with regards to payments in that the clerk has possession of the cheque books.
All cheques have to be signed by two signatories.
Any BACS payments are scheduled and agreed at each meeting.

It appears that the Council has adequate insurance in place.

ACCOUNTING RECORDS

4.11 All Receipts and Payments were properly recorded and the Clerk submits figures to members at each meeting.

CONCLUSION

5. On the basis of the work undertaken we have concluded that the Council has Satisfactory internal controls in place to ensure that transactions are accurately reflected in the Statement of Accounts.



Barnes Cooper Ltd
16th June 2023