

**Audit Report & Risk Assessment of Financial systems' internal controls for Soberton Parish Council.**  
**Prepared by the Responsible Finance Officer on 13/12/2023**

No.	Internal Control Tests	Findings
<b>1</b>	<b>Proper Bookkeeping</b>	
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 <sup>st</sup> 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.
<b>2a</b>	<b>Standing Orders and Financial Regulations</b>	
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 15 <sup>th</sup> March 2022 as minute ref [32/22]. Model Standing Orders have been reviewed and were adopted by the Parish Council at the meeting of the 21 <sup>st</sup> November 2023 as minute ref [82/24].
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 1 <sup>st</sup> July 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 July 2020 [min ref 99/20] and were reviewed and re-adopted in March 2022 [min ref 32/22].
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. It is hoped to undertake a Data Audit to identify where all data is held and for how long.
<b>2b</b>	<b>Payments Controls</b>	
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.
2.6	Has VAT on payments been checked, recorded and	Proper VAT invoices are provided when relevant, with VAT checked and entered

## Audit Report & Risk Assessment of Financial systems' internal controls for Soberton Parish Council.

Prepared by the Responsible Finance Officer on 13/12/2023

	reclaimed? Frequency & refunds into which A/c?	in separate coding column within Cashbook. VAT is reconciled monthly and recorded on a separate excel spreadsheet. A VAT claim was submitted on 30 <sup>th</sup> September 2023 to claim outstanding VAT since March 2022. This claim was for a total of £4,771,31																										
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 <sup>st</sup> March 2023 (1012) x Section 137 rate for 2023-24 (£9.93 per elector) = Total limit £10,049.16																										
<b>3</b>	<b>Risk Management Arrangements</b>																											
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 minuted 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?	<p>As at the 31<sup>st</sup> March 2023 the Asset Register was as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Recreation Ground</td> <td style="text-align: right;">£275,000</td> </tr> <tr> <td>Pavilion</td> <td style="text-align: right;">£175,000</td> </tr> <tr> <td>Fencing and Gates</td> <td style="text-align: right;">£15,500</td> </tr> <tr> <td>Playground Equipment</td> <td style="text-align: right;">£103,043</td> </tr> <tr> <td>5 Benches</td> <td style="text-align: right;">£4,500</td> </tr> <tr> <td>Picnic Table</td> <td style="text-align: right;">£450.00</td> </tr> <tr> <td>6 Notice Boards</td> <td style="text-align: right;">£4,500</td> </tr> <tr> <td>2 defibrillators and locking boxes</td> <td style="text-align: right;">£3,000</td> </tr> <tr> <td>Soberton War Memorial</td> <td style="text-align: right;">£22,000</td> </tr> <tr> <td>Newtown Lytch Gate</td> <td style="text-align: right;">£18,000</td> </tr> <tr> <td>Speed Camera</td> <td style="text-align: right;">£4,000</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Total value</td> <td style="text-align: right;">£521,993</td> </tr> </table> <p>The Parish Council commissions a quarterly play inspections and acts upon its recommendations. It also completes its own periodic checks that are reported to the following Parish Council meeting.</p>	Recreation Ground	£275,000	Pavilion	£175,000	Fencing and Gates	£15,500	Playground Equipment	£103,043	5 Benches	£4,500	Picnic Table	£450.00	6 Notice Boards	£4,500	2 defibrillators and locking boxes	£3,000	Soberton War Memorial	£22,000	Newtown Lytch Gate	£18,000	Speed Camera	£4,000			Total value	£521,993
Recreation Ground	£275,000																											
Pavilion	£175,000																											
Fencing and Gates	£15,500																											
Playground Equipment	£103,043																											
5 Benches	£4,500																											
Picnic Table	£450.00																											
6 Notice Boards	£4,500																											
2 defibrillators and locking boxes	£3,000																											
Soberton War Memorial	£22,000																											
Newtown Lytch Gate	£18,000																											
Speed Camera	£4,000																											
Total value	£521,993																											
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG Cover level correct?	Insurance is with Hiscox Ltd (22 Bishopsgate London EC2N 4BQ) policy number 8188256 dated 1 <sup>st</sup> June 2023 covering the standard local Council aspects,																										

## Audit Report & Risk Assessment of Financial systems' internal controls for Soberton Parish Council.

Prepared by the Responsible Finance Officer on 13/12/2023

		renewable each June. The level of fidelity guarantee cover held is £150,000.
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
<b>4</b>	<b>Budgetary Controls</b>	
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 17 <sup>th</sup> January 2023 (precept) minute ref [122/22] and the 9 <sup>th</sup> May 2023 (budget) minute ref [15/24]
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	Actual expenditure is monitored and reported by the clerk on a monthly basis. 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.
<b>5</b>	<b>Income Controls</b>	
5.1	Is income properly recorded and promptly banked?	Although limited, any income received is recorded, banked promptly by Clerk/RFO into a Lloyds Bank treasurers account number 00086774. 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 Lloyds Bank treasurers account number 00086774. 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.
<b>6</b>	<b>Payroll Controls</b>	
6.1	Does the staff salaries/wages paid agree with those approved by the Council & what is review frequency?	The Clerk is currently paid a total of £10,000 per annum as agreed and minuted by the Parish Council on 19 <sup>th</sup> April 2023 minute ref [42/22]. This was based on a 10 hours per week contract.
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.
<b>7</b>	<b>Assets Controls</b>	

**Audit Report & Risk Assessment of Financial systems' internal controls for Soberton Parish Council.**  
**Prepared by the Responsible Finance Officer on 13/12/2023**

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 £375,000
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 AJ Gallagher Ltd to ensure that all items carry the correct valuation and this has been applied to the insurance policy.
<b>8</b>	<b>Bank Reconciliation</b>	
8.1	Is reconciliation for each bank account held?  Note each account with bank/branch & a/c no.	Yes.  Lloyds Bank treasurers account number 00086774.
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.
<b>9</b>	<b>Year-end Procedures</b>	
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: 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*

Date 13<sup>th</sup> December 2023

**Audit Report & Risk Assessment of Financial systems' internal controls for Soberton Parish Council.**  
**Prepared by the Responsible Finance Officer on 13/12/2023**

*RFO Soberton Parish Council.*