

# Internal Audit Report

# Keevil Parish Council

YE 31 March 2023

**Chair of the council**

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Alex Goodwin

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**Clerk to the  
council**

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Sarah Jane Dow

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**RFO**

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Robert Kevan

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Internal audit performed  
by Olivia Adlam

16<sup>th</sup> May 2023

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**Number of  
councillors in  
post**

7

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Annual precept for the  
council for 2022/23:  
£7,875  
(From Wiltshire Council)

VAT relief registration number: XDV126000105629

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The internal audit of Keevil Parish Council was carried out independently and based on the assessment of risk. I confirm that I, as the internal auditor, do not have any role within the council and that this report was carried out without bias.

A new clerk was briefly employed during the precept year 22/23 however, the travel was deemed too far for him to remain in post so he resigned shortly after starting. So, as at close of the year and for most of the year reported, the standing clerk remained as S.Dow and the standing RFO remained as R.Kevan.

A. Appropriate Accounting Records

A1. The financial records are maintained on excel and the ledgers have been kept up to date throughout the year. The RFO has reconciled the bank statements to the cash book and ensured there are sufficient funds in the current account throughout the year. Bank reconciliations are performed, at minimum, prior to every council meeting. For the second year running, the cash book is not in an overdrawn position at year end, which unfortunately was the case in years gone by under a different council.

A2. Payments are now made from the account via debit card and BACs as well as cheque. All payments from the account are made are correctly recorded and a sample of transactions were sampled to ensure they were accounted for accurately. The financial reports for the year reconciled to the accounting records.

A3. As a result of the cashbook and bank being accurately reconciled at the year end, there is an accurate disclosure of the balances in the council's AGAR return.

B. Financial regulations, documentation, and approvals

B1. Procedures in place ensure the council are conforming with financial regulations. The documentation reviewed during the audit showed sufficient approvals and authorisations and the sample reviewed was backed up with relevant documentation. Any payments made by the council were approved by 2 councillors and an accurate record maintained of all transactions.

B2. VAT reclaims were dealt with correctly and the accounting cashbook appropriately includes the VAT element of expenditure.

B3. The council does not currently acquire formal tenders or quotes. Given the small level of income/expenditure of the council this is deemed acceptable. A recommendation was made in the 2021/22 IA report that should expenditure levels change significantly, or the council incur a one-off large item of expense, a formal tender/quotation process should be considered by the council. The council agreed with this recommendation in the meeting following the IA report (04/07/2022).

B4. In the councils meeting on 4<sup>th</sup> July, it was agreed to resolve the limit for debit card use under Financial Regulation 6.18. The limit was agreed to be amended from £100 to payments of less than £300.

C. Risk Assessment

C1. The council's insurance cover adequately covers its operation and assets. The cover includes an 'all risk' extension.

C2. The internal controls carried out by the council were deemed effective and adequate for the size of the authority.

D. Precept and Budgeting

D1. An annual budget was prepared, minuted and agreed by the council. Variances from actual to budget were recorded in the year end accounts. The budget covers the use of the annual precept received from Wiltshire Council.

D2. Expenditure is monitored throughout the year by the RFO to ensure sufficient funds remain in the treasury account at all times. As stated in the interim IA report, the transfer made from deposit account to current account on 24/05/2022 by the RFO demonstrates this in practice.

D3. The council recognised in 2022 its' need to improve their reserve position, but also acknowledged this is a mid/long term objective given the low level of annual precept it receives. This objective remains however progress has been made. The closing balance of the council's reserve account at 31/03/2023 has increased by approx. 11.9% in comparison to 31/03/2022.

D4. With the clerk post being vacant again for most of the year, the actual spend on clerk expenses was much less than budgeted which helped to end the year with a surplus of £2,762 against a budgeted deficit of (£124.)

#### E. Income

E1. Income in the year was made up of annual precept from Wiltshire Council along with a low level of wayleave income plus a small level of bank compensation following a complaint and a small amount of sundry income. There is no output VAT on the council's income.

E2. The precept income and wayleaves received are the council's only formal income streams. Any applications for third party grants are ad-hoc.

#### F. Petty Cash

F1. The council does not hold or use petty cash.

F2. Clerk/RFO expenditure is pre-approved and subject to standard the same authorisation and payment process as all other council expenditure and is made by cheque not cash.

#### G. Employees

G1. The clerk/RFO position is the only employee of the council. This position is currently vacant and is being covered, unpaid, by two councillors (Cllr Dow & Cllr Kevan)

G2. The clerk's salary is the only item included on the council payroll, which is managed by Keevil Accountancy, Julie Nellis.

G3. The internal audit confirmed the correct payroll records were held by the council, and the PAYE/NI also appropriately accounted for.

G4. In the 22/23 IA report it was recommended that when the new Clerk/RFO is appointed, it is important the council obtains the correct tax code for them on the commencement of their employment. This recommendation was agreed by the council at the meeting following the IA report (04/07/2022).

#### H. Asset registers

H1. A detailed asset register is held and maintained by the council. It is updated routinely and reconciles opening values, plus any additions/disposals.

H2. The council has appropriate insurance cover for the assets included on the formal asset register held. After a re-evaluation of the council's assets in the year and significant costs relating to the war memorial, the council has paid an additional insurance premium.

#### I. Bank reconciliations

I1. Bank reconciliations are prepared, at minimum, every 2 months before each council meeting and a register of expenditure is maintained and presented to the council for approval at meetings. The cheque, BACs and debit card register is included in the relevant meeting minutes.

#### J. Accounting statements

J1. The accounts are maintained on an income and expenditure basis using payments and receipts. These are reconciled to the council bank statements and agree also to the cashbook. Turnover remains significantly below £200,000.

J2. All items included in the expenditure sample tested were supported by invoices, authorised by 2 councillors per item and approved in line with the council's process.

J3. The bank reconciliation for both the current and reserve account, as at 31/03/2022, was confirmed as correct.

K. Limited Assurance Review

K1. The income and expenditure of the council both fell below the £25,000 level.

K2. A limited assurance review was carried out for the 2021/22 AGAR.

K3. The council are eligible for exemption from a limited assurance review and will look to exercise this exemption for the 2022/23 AGAR, by returning AGAR form 2 as agreed between the council.

L. Transparency code

L1. The council maintains a free to access website with all the relevant information required.

M. Notice of Public Rights

M1. The council met the requirements for the EOPR for 2021-22.

M2. The council have ensured controls are in place for full compliance for 2022-23.

N. 2021/22 AGAR documents

N1. The 2021/22 AGAR was submitted and published on time and the council met its' statutory requirements.

N2. The council is keen to ensure the AGAR report for this year is again submitted on time and that the statutory requirement is met for 2022/23. Controls are in place to ensure publication compliance for 2023/23 by 30<sup>th</sup> June.

O. Trust funds

O1. The council did not act as trustees for any trust funds in 2022/23.

Olivia Adlam  
Internal Auditor  
16<sup>th</sup> May 2023