

SDH Accountancy & Audit Services

Principal Sue Hackett

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Date 8 May 2024

Dear Kathy,

RE: DAWLEY HAMELTS PC INTERNAL AUDIT 23/24 – FINAL REPORT

The audit has been carried out remotely using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and best practice as documented in the Practitioners' Guide '23. I have now completed the remaining internal control objectives which support the Annual Internal Audit Report within the 23/24 Annual Governance Accounting Return (AGAR) positively. I trust this will assist the Council when completing Section 1 of the AGAR. The following supports my conclusions:

A. Appropriate accounting records have been properly kept throughout the financial year.	The primary accounts record examined 1-4-23 to 17-1-24 (i.e. the excel receipts and payments ledger) was found to be comprehensive, accurate and complete providing a full audit trail to documents, council minutes. The ledgers are linked to other financial sheets providing a comprehensive suite of accounting information e.g. Budget Monitoring Outturn Reports. The opening balance was agreed to the previous year's AGAR closing bank balance and detailed testing of a sample of transactions per the accounts supports its accuracy. (See B & E & I below.)	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	Total Payments £74,842 A sample of 10 payments were agreed between the Council minutes, payments ledger and bank statements. A further 3 were selected from the payments ledger and agreed to Council minutes. All were supported by invoices/receipts/pay slips. Payments are now made online; the RFO sets up payment details and two councillors set up to authorise payments log into the bank's system following the Council meeting to authorise the payments. Invoices examined had been initialed by two councillors.	Yes

	VAT was found to be appropriately accounted for within the accounts and Financial Regulations were complied with respect to quotes & contracts etc.	
C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<p>The Council's risk assessment schedules were last reviewed and adopted by Council in May 2023. Financial Regulations and Standing Orders were also reviewed and adopted at the same meeting.</p> <p>Good internal financial control checks have been routinely carried out by councillors throughout the year. The Council's Strategic Plan was updated and adopted in year, realigning its earmarked reserves to meet its objectives.</p> <p>The Council mitigates risk through its insurance policy with Zurich and via physical inspection of its assets..</p>	Yes
D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.	<p>Budget Monitoring - The Clerk/RFO regularly issues a monthly financial monitoring report prior to Council meetings; which is discussed at each meeting and signed as adopted by the Chair. The report includes Schemes and projects and includes committed expenditure.</p> <p>Budget Setting 2024-25 – The Clerk/RFO presented a draft budget at the Council's November'23 meeting, (Outturn £80,500). The budget had been compiled by the Annual Planning & Budget Setting Working Group and Clerk/RFO. Council also resolved that a Precept of £79,500 be requested as expected interest receipts were £1,000.</p> <p>Reserves – The closing balance as at 31/3/24 was £174,714; which includes ear marked reserves/projects of £85,318, a General Reserve of £89,396 equates to 119% of spend in 23/24 or 111% of budgeted spend in 24/25. Slightly high.</p>	Yes
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	<p>Total Receipts £ 84,022</p> <p>A precept receipt of £ 77,500 and VAT refund of £1,415.75 were agreed to bank statements and supporting remittances/claims. A T&W grant of £1,338.37 and bank interest of £2,085.02 were also agreed to supporting records.</p>	Yes
F. Petty Cash has been properly accounted for.	None held as per Clerk/RFO.	Yes
G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.	All pay calculations are processed using HMRC software and approved by Council. These were found to be accurate and in agreement with the Clerk's contract, Council decisions and National Pay Scales.	Yes

	<p>Periods 2,4 and 8 payments were checked in detail. Back pay due as a result of a national pay award being agreed in year and back dated to 1/4/23 was found to be correctly processed in Period 8; together with pension deductions.</p> <p>PAYE & NI requirements were properly applied.</p>	
H. Asset and investment registers were accurate and properly maintained.	<p>The Asset Register as at 31/3/24 has been updated to reflect asset purchases, £25,761 (e.g. lap top & notice board). Assets are valued as per JPAG guidance; the Asset Register provides details of date of purchase and location.</p> <p>No investment register is required.</p>	Yes
I Periodic Bank Reconciliations were properly carried out during the year	<p>Evidence was sighted in the minutes of bank reconciliations being presented to Council and being checked by a councillor. Bank statements support the checks have been carried out.</p> <p>Q3 (17/1/24) & 4 (31/3/24) bank reconciliations were re-performed by the auditor and found to be correct.</p> <p><i>It should be noted that balances as at 31/3/24 in the Unity Trust Instant Access A/C and Royal Bank of Scotland A/C will exceed the FCS once the precept for 2024/25 is received.</i></p>	Yes
J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<p>In year outturn budget monitoring accounting statements examined were prepared on a receipts and payments basis, and were populated by the excel cash book.</p> <p>The AGAR figures shown in the Variance Report and yearend outturn budget monitoring accounting statement agree. They have been prepared accurately on a receipts and payments basis, agrees with the yearend bank reconciliation and Fixed Asset Register.</p> <p>Sample testing (above) supports that the audit trail to underlying records is adequate.</p>	Yes
Objectives K – N Please refer to findings were reported in the interim audit report – no issues were reported.		Yes or N/A
O. Trust funds – the Council has met its responsibilities as a trustee.	The Clerk/RFO confirmed that the Council is not the sole trustee of such a fund.	N/A

The Council has once again exceeded the £25,000 threshold and is due a limited assurance audit by external audit. The Clerk/RFO has presented much of the necessary year end paperwork required for this submission; which supports the accounts. I would like to thank the Clerk/RFO for her assistance during the audit process.

Should you or the Council have any queries please do not hesitate to contact me.

Best Wishes

Sue Hackett