

Colney Heath Parish Council
Financial Year 2022-23



IAC Audit and Consultancy Ltd

Audit date: 26 January 2023

Interim Internal Audit Observations

B *This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Have payments been approved as required under Council Financial Regulations?	Yes	<p><i>Council does not include a listing of payments as set out in Financial Regulation 5.2</i></p> <p><i>"A detailed list of all payments shall be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised."</i></p>	The Council to review its compliance with Financial Regulation 5.2. If necessary the Council should amend the format of its MInutes, or consider amending the wording of Regulation 5.2.	High	The Clerk has noted the recommendation and from the 26th January meeting and for subsequent meetings will include a list of payments with the minutes

D *The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The precept recorded in the Minutes agrees to that recorded in central government data	No	<p><i>Minutes of Council meeting 21st October 2021 refer to a 2.5% increase and state a value of £199,892.55. This agrees to a 2.5% uplift on the prior year total precept. The Precept received, and recorded in central government data was £205,213.50, the precept was actually increased by 2.5% on the Band D value, which gave an increase in total precept of 5.3%.</i></p>	Council to review the difference between the value of the precept recorded in the Minutes and that recorded in central government data. If appropriate the Council should formally record in its Minutes the reason for the difference identified.	High	RFO disagrees with this statement, the Precept figure requested of 205213.50 as recorded in central government data is what was requested of the District Council and due to tax base was a 2.66% increase it does not equate to 5.3%?

2	Does the budget recorded in the Councils accounting system agree to the budget set by Council?	No	<i>It was not possible to agree the budget recorded in the Council accounting systems with the budget sheet prepared when the budget and precept was approved. The total expenditure budget in Omega is £196,350, in budget sheet it is £195,280, Also difference on income, Omega states £210,064, budget states £201,087.</i>	Council to review the budget recorded in the Councils accounting system to ensure that it agrees to the budget approved.	High	RFO to review this observation in detail
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E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Is income due on investments subject to regular check and verification? (Is investment performance regularly reported to Council?)	No	<i>It was noted that the Council is earning low interest on its bank balances and that income due on investments is not subject to a process of formal, regular, review. The last minuted review was recorded in February 2022 which predates the recent significant interest rate rises.</i>	The Council should put in place arrangements for the regular review and reporting of investment performance. This review should be recorded in Minutes of the appropriate meeting.	High	There were no investments prior to the opening of the Cambridge and Counties account in late 2022 but the observation is noted for future reviews
2	Has the Investment Strategy been subject to annual review?	No	<i>The Investment Strategy has not been subject to annual review. The Council did review its funds held in February 2022, but did not formally review its investment policy.</i>	Council to ensure that its Investment Strategy is subject to annual review (this could be carried out as part of the budget process)	High	Investment Policy on agenda for February 2023
3	If the Council receives income under leases, are the lease agreements current?	No	<i>It is understood that an agreement for the use of football pitch expired in 2019 and is currently being negotiated. Payments have been regularly received in respect of this arrangement.</i>	Council to review and update its lease agreements	Medium	Lease is currently subject to approval by Fields in Trust

N *The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has published the unaudited Statement of Accounts (Section 2 of the Annual Return) in accordance with the requirements of Regulation 15 (2) of the Accounts and Audit Regulations	Yes	<i>It was note that Box 11 of the 2021-22 Accounting Statements (disclosure note re trust Funds) was left blank. The corresponding Box 9 of the Annual Governance Statement was completed as 'N/A' and it's understood that the Council does not act as Trustee.</i>	Council to note that Box 11 of the prior year Accounting Statements had not been completed. Council to ensure that this is completed in the 2022-23 Accounting Statements	High	Observations noted and will mark as well as noting n/a