

Internal Audit Report to the Chardstock Parish Council 2022/23

To the Councillors of Chardstock Parish Council

All financial records of Chardstock Parish Council were made available to me to review for the internal audit. I carried out random checks on the records, reviewed relevant documents and can report I found the records to be generally very well kept and easy to follow.

During the Internal Audit I noted the following:

- The Cashbook summaries are kept monthly with a front summary sheet which is to be signed by the RFO and the Chairman. There are also bank reconciliations attached to each monthly summary that also require signatures. I found that in each month the bank reconciliations have not been counter signed by the Chairman, but the front summaries had been. I would recommend that the wording is changed on the front sheet to incorporate the bank reconciliations so that only the one set of signatures is required for each monthly 'pack'.

- The expense invoices are filed monthly behind a summary sheet that records the expenses and the VAT if applicable. I randomly picked three months, May 2022, December 2022, and March 2023 to check.
 - ◆ May 2022 – I noted that VAT had been claimed on a Mole Avon invoice where the invoice was not attached to the PSR invoice to which it related. The RFO has assured me that in future the invoices will always be obtained and attached as required by VAT legislation.
 - ◆ December 2022 – All was in order.
 - ◆ March 2023 – The summary sheet had not been counter signed by the Chairman. I believe this was an oversight and will be corrected.
 - ◆ I noted that the invoices, that require the signatures of two councillors, had always been signed by the same two councillors which is not good practice. There is more security in having a rotation of signatories.

- I reviewed the VAT for the claim December 2022 to February 2023. Based on my recommendations to the RFO last year I note that a system has been put in place to ensure that the VAT records are reconciled to the VAT reclaimed and is working well.

- Fixed Asset Register. I understand that the fixed assets do not form part of the double entry bookkeeping records but are listed separately at cost. I raised the question of revaluing the fixed assets to show their true value but was assured that this is not the normal treatment for the fixed assets.

- I reviewed the documentation for the loan that was taken out by the Chardstock Parish Council to assist in the purchase of the Community Shop and found that it was all in order as far as I understand it. The relevant minutes were seen.

To reiterate, I found the records to be off a good standard, with only minor issues seen as stated above.

Beth Webb
Internal Auditor
Chardstock Parish Council
13th June 2023