

**NEWPORT & CARISBROOKE COMMUNITY COUNCIL REPORT OF THE INTERNAL AUDITORS
FOR THE YEAR ENDED 31 MARCH 2024**

We have carried out internal audit procedures in relation to the operation of internal controls of Newport & Carisbrooke Community Council for the year ended 31 March 2024. We have examined specific matters as required by the local government accounts and audit regulations. We set out below observations arising from the work we carried out: -

1. Bookkeeping

We found that the standard of Bookkeeping operated by the RFO to be very good. The records are accurately and clearly maintained, properly referenced, and appear to be maintained on an up-to-date basis. We verified a sample of items which were agreed to the underlying accounting records and found to be free from error.

2. Financial regulations & standing orders

During the course of our work, we found nothing to indicate that the Council is not operating in accordance with its financial regulations and standing orders.

3. Risk assessment & budgetary control

Our enquiries indicated that the arrangements for risk assessment were appropriate to the level of the Council's activities. An updated Risk Management Schedule was adopted in October 2022, which I have reviewed.

We were pleased to note that Council members reviews the financial records of the Council on a regular basis and that the expenditure of the Council is regularly reported to Council meetings and reviewed against budget. We can confirm that the annual budget for 2024/25 was agreed in February 2024, and the precept for the year was set as a result.

4. Income

The annual precept remained similar to last year, however the level of expenditure has increased in the period. This is predominantly due to work being carried out on a property during the period, which was funded by taking out additional finance in the form of a Public Works Loan Board (PWLB) loan. In addition to this, spending on certain projects were higher than expected but was covered by grants received from Historic England.

Budgets were maintained and regularly reviewed to ensure the precept remained appropriate, although there have been some inevitable variations in the expected/planned expenditure. Other than the annual precept, the Council normally receives a modest amount of other income. This year is no different, and the majority of this other income consisting of grants, loan drawdown (as noted above) and fees.

We have not identified any cases where this income has not been properly recorded or misreported for VAT purposes.

5. Petty cash

The system for the control of petty cash appears to be satisfactory, with detailed records of expenditure being maintained, supported by appropriate documentation. The level of petty cash is minimal, which was confirmed from our review of the records.

6. Payroll

The processing of the payroll is outsourced to Community Action IOW. We found that the processing of the Council's salaries to have been properly dealt with, with deductions for PAYE and National Insurance Contributions having been paid over on a timely basis. CAIW have confirmed that all submissions have been made to HMRC, and that all payments have been issued to the various sources (employees, HMRC and pension scheme).

7. VAT

Our tests indicate that the VAT reclaimed by the Council is properly calculated and reclaimed promptly.

8. Assets

The assets, which are recognised as being in the Council's ownership, are set out in a separate supporting document maintained by the RFO. These assets have been recognised at cost and the location has been recorded on the asset register.

The insurance arrangements for these assets appear to be appropriate.

9. Bank reconciliations

We have tested the monthly reconciliation of the Council's bank accounts throughout the year and found them to be in order and in agreement with the underlying accounting records.

10. Transparency Code

The Transparency Code requires the publication of information on the Council's free to access website. A copy of the Transparency Code is clearly published on the Council's website, and having reviewed all documents that were available, we are satisfied that the Council is in compliance with the Code.

Conclusion

In light of the above, I am satisfied that I have sufficient assurance to complete the Annual Internal Audit Report section of the Annual Governance & Accountability Return.



JAMES PALMER FCCA
BRIGHT BROWN ACCOUNTANTS, 24 MAY 2024