

INTERNAL AUDIT REPORT 2020-21

COUND PARISH COUNCIL

1 INTRODUCTION

As the Council's Internal Auditor I have independently carried out an examination of areas which meet the internal control objectives as listed on the Annual Governance and Accounts Return (AGAR) and best practices as outlined in the Practitioners Guide 2020 and 2021 for the year ended 31st March 2021.

The audit has been carried out using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and controls in operation through a review of the evidence of these controls and selected detailed sampling. The Internal Audit Report on the AGAR was then completed as per conclusions drawn from these detailed findings.

2 OVERALL

I have completed an examination of Council records made available to me to date and have completed the Internal Audit Report positively. **The standard of administration and system of internal controls relating to the audit areas examined throughout the financial year were considered to be of a good standard and meet the needs of the Council and those procedures recommended in The Practitioners' Guide 2020 & 2021.** Neither receipts nor payments for the year have exceeded the £25,000 threshold, therefore the Council will once again be applying for an exemption from being externally audited.

The table of findings on page 2-3 supports the above statement.

A sample review of Council meeting minutes confirmed that the Council was quorate when it met virtually and that council decisions were clearly recorded. Reliance was placed on the Council's website during the audit and it was found to be both informative and met transparency requirements.

I would like to thank the new Clerk for her patience in scanning in and presenting records which have assisted the internal audit process. Should you have any queries with this report please do not hesitate to get in touch.

Regards,

SD Hackett

SDH Accounting & Audit Services Gonsal House Condover Shrewsbury SY5 7EX Date: 9/5/2021

3 INTERNAL AUDIT DETAILED FINDINGS - COUND PARISH COUNCIL 2020/21

Key Control Objective	Findings	The key control objective has been satisfactorily achieved?
A. Appropriate accounting records have been properly kept throughout the financial year.	The primary accounts record examined 1-4-20 to 31-3-21; (i.e. the excel ledger) was found to be comprehensive, accurate and complete providing a full audit trail.	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	A sample of 10 payments were agreed between the accounts, bank statements and Council minutes. 8 were then randomly selected from bank statements and satisfactorily traced to the accounts and supporting invoices/documentation. VAT was found to be appropriately accounted for within the accounts and financial regulations complied with.	Yes
C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Council's risk management policy was last reviewed and adopted in May 2019 together with Financial Regulations and Standing Orders. These will require updating and Council approval and adoption in 2021. It is evident that Covid has impacted on the Council's routine meeting process and to ensure the smooth running of the Council and parish activities, Council actions have had to be suitably prioritised.	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.	Budget monitoring has not occurred regularly throughout the year with the exception of the report prepared for the Budget 21/22. Because of the low volume of transactions this was considered satisfactory. Budget Setting 21/22 – The Clerk/RFO presented a Budget Monitoring report and Draft Budget for 21/22 at the Council's January meeting. These were considered and Council resolved that the Precept remain the same £5,756. Reserves – The Council has no ring fenced balances, but is dependent on an EMG grant. The yearend balance of £4,810 was considered appropriate.	Yes
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	A precept receipt of £5,756 and SC grant of £578 was agreed to a supporting SC remittance.	Yes
F. Petty Cash has been properly accounted for	None held	N/A None held

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 RTI software and are supported by the Clerks' contracts. One salary payment have been checked in detail and agreed to RTI reports whilst the retiring Clerk's P45 was agreed to the accounts supporting that PAYE & NI requirements had been properly applied. No allowances have been paid to members.	Yes
H. Asset and investment registers were accurate and properly maintained.	The Asset Register as at 31/3/20 did not require updating as no in year acquisitions or disposals have arisen. No investment register is required.	Yes
I Periodic Bank Reconciliations were properly carried out during the year	Evidence was sighted in council minutes of bank reconciliations being carried out, reported to Council; and having been checked by the Chairman. As virtual meetings have taken place usual control checks have not always been possible to evidence on records however efforts have been made to retain these checks. The yearend bank reconciliation as at 31/3/2021 was re-performed by the auditor and found to be accurate.	Yes, given mitigating Covid environment.
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.	The AGAR and yearend accounting statement has been prepared accurately on a receipts and payments basis, agrees with the ledger and bank reconciliation but did require adjustments in order to comply with the Practitioners Guide. Sample testing supported the accuracy of the audit trail to underlying records.	Yes
K The Council appropriately certified itself as exempt from a limited assurance review by external audit in 2019/20 .	Council resolved to approve the 2019/20 Certificate of Exemption from external audit at its May 2020 meeting; as neither receipts nor payments for the year exceeded £25,000. The certificate was found on the website.	Yes
L. Council publishes information on a website/webpage up to date at the time of the internal audit, in accordance with the Transparency Code for smaller councils.	The Council's website was found to be both informative and met Transparency requirements. A Website Accessibility Statement is present on the website.	Yes
M In 19/20 Council correctly provided the proper opportunity for the exercise of public rights in accordance with the amended Accounts and Audit Regulations 2015.	The appropriate Notice for the Exercise of Public Rights was issued on 15/6/20 and found on the Council's website. (Period of Notice 22/6 – 31/7/20.)	Yes
N. The Council has complied with the publication requirements for the 2019/20 AGAR	Relevant documentation was found on the Council's website at the time of the audit and was noted as having been uploaded on 17/6/20 there by being accessible for the Exercise of Public Rights.	Yes