

Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Charley Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	21 st April 2021
Year ending:	31 March 2021	Date audit carried out:	22 nd March & 20 th April 2021

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

This internal Audit report was compiled following a number of independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during a virtual Zoom meeting with your Clerk Ja'Neen Day the 20th April 2021.

The following topics were reviewed against our standard checklist format:

Book Keeping:

- All details were recorded manually in the financial ledger and all appeared to be in order.
- Payments in the ledger were generally covered by invoices and minuted and authorised at the relevant PC meetings.
- Evidence seen that VAT was claimed annually and had last been claimed 25th January 2021.
- There were no recordings of S137 expenditure.

Due Process:

- Standing Orders & Financial Regulations as per NALC were displayed on the website, these were reviewed May 2020.
- There was an Equality & Diversity Policy in place and a list of councillor's interests on the website.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid by cheque.
- Agendas are informative and displayed on the PC website and the PC notice boards at least 3 clear days prior to meeting.
- Purchase orders were not raised for expenditure, generally such approval to proceed was confirmed by email or phone.
- The PC website is regularly updated and is fairly easy to navigate.

Risk Management:

- Scanning the minutes there didn't appear to be any unusual activity.
- Insurance cover is provided by Zurich (YLL122033-8193) and is up for renewal 9th July 2021.
- The Annual Risk Assessment was last reviewed on 6th January 2020 and adopted 8th July 2020.
- Assets such as street furniture are inspected regularly for risk and **needs to minuted accordingly.**

- Minutes were initialled by page and signed by the chair at each meeting and forwarded to the Clerk.

Budget:

- The annual Budget and Precept were discussed and approved November 2020 there were no specific reserves earmarked.

Payroll:

- The only person on the payroll was the Interim Clerk who had a new contract of employment, was paid bi-monthly after approval at each PC meeting and paid tax to HMRC.
- The Council are registered with the Pension Regulator.
- There was a formal complaints procedure in place and displayed.

Asset Control:

- There was an updated valued register of assets (May 2020) on the website.
- There was no evidence of any records of deeds, articles and land registrations being held by the Council.

Bank Reconciliation:

- It was noted there were two bank accounts, balances were minuted at PC meetings and accounts were reconciled on receipt of monthly statements.

Year End Procedures:

- The Year end accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting in May 2021.
- Debtors & creditors recorded where necessary and there was evidence of a financial trail through records.
- This year's sections 1 & 2 of the Annual Return had been drafted ready for signing.

Cemeteries: The Council has no responsibilities for any cemeteries.

Transparency:

- The following were displayed / published as required by 1st July;
 - All expenditure over £100 (covered through displaying meeting minutes).
 - End of year accounts (Spreadsheet displayed) / Accounting Statement.
 - Annual Governance Statement.
 - Certificate of Exemption completed.
 - Internal Audit report.
 - Councillor responsibilities.
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month but there were odd dates not available.

Miscellaneous:

- The previous internal audit was reviewed on 22nd May 2020 and action evidently taken accordingly throughout the year.
- Clerk confirmed Electronic files are backed up regularly.
- "The Notice of Public Rights" was issued appropriately on the website as required.

Transaction Spot Checks:

- A sample test check was carried out to agree accuracy of payments which included checking, Ledger date, Item / Budget heading, Cheque ref, when payment was minuted / approved, actual payment amount against minuted payment and invoice amount, VAT if relevant. All checked were in order.

Annual returns:

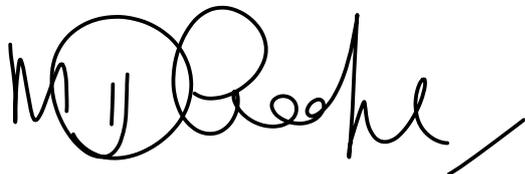
The annual return section 2 details (Year Ending 31st March 2021) are set out at the end of this document.

This report is based on the evidence made available to me.

It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud, consequently the report is limited to those matters set out.

I would like to conclude by thanking Ja'Neen for her patience and openness during our meeting and to add that the affairs of the Parish Council appear to be in extremely good order compared to the similar period last year.

Yours sincerely,



Martin Cooke

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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	£3,654	£4,553
2. Annual precept	£4,144	£4,545
3. Total other receipts	£152	£2,400
4. Staff costs	£1,279	£2,679
5. Loan interest/capital repayments	0	0
6. Total other payments	£1,768	£2,372
7. Balances carried forward	£4,553	£4,071
8. Total cash and investments	£4,553	£4,071
9. Total fixed assets and long term assets	£2,550	£2,550
10. Total borrowings		

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2017)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2018-sections-1-5-1.pdf>