

# INTERNAL AUDIT REPORT 2020-21

## ASTLEY PARISH COUNCIL

### 1 INTRODUCTION

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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 for the year ended 31<sup>st</sup> 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

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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.** The £25,000 receipts and payments threshold has not been exceeded 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. As virtual meetings have taken place during the year the usual routine financial control checks routinely carried out by members have not been possible to evidence on source documentation. It is recommended that this is reinstated in the future.

I would like to thank the 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: 26/4/2021

### 3 INTERNAL AUDIT DETAILED FINDINGS - ASTLEY 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.	<b>Yes</b>
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 and Council minutes. They were satisfactorily traced to supporting invoices/receipts. VAT was found to be appropriately accounted for within the accounts and financial regulations complied with.	<b>Yes</b>
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 November 2019. A H&S policy adopted in Jan 2021 It is evident that additional measures have been taken as a result of COVID to ensure smooth running of the Council and parish activities. Financial Regulations and Standing Orders were last revisited and adopted in May 2019.	<b>Yes</b>
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 due to Covid 19 and few transactions occurring; with the exception of the report prepared for the Budget 21/22. Budget Setting – The Clerk/RFO presented a Budget Monitoring report and Draft Budget for 21/22 at the Council's January meeting. The Budget was made reference to (Total Spend £6,946) and Council resolved that a Precept of £6,878.28 be requested Reserves – Within the Council's reserves there are ring fenced balances. Yearend balance complies with the Council's newly adopted Reserves policy was therefore considered appropriate.	<b>Yes</b>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	A precept receipt of £6,736 was agreed to a supporting SC remittance and VAT refund of £81 agreed to the claim.	<b>Yes</b>
F. Petty Cash has been properly accounted for	None held	<b>Yes; as not applicable</b>

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 Clerk's temporary contract which has been repeatedly renewed and extended by Council. Two salary payment has been checked in detail and agreed. No allowances have been paid to members.	<b>Yes</b>
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.	<b>Yes</b>
I Periodic Bank Reconciliations were properly carried out during the year	No evidence was sighted in council minutes of bank reconciliations being carried out and presented to Council; although evidence has been provided by the Clerk of regular reconciliations taking place. The Clerk stated that two councillors who have access to the council's bank account to approve online payments regularly check the bank balance via internet. As virtual meetings have taken place usual control checks have not been possible to evidence. The yearend bank reconciliation as at 31/3/2021 was re-performed by the auditor and required a minor technical amendment.	<b>Yes, given mitigating Covid environment.</b>
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 cash book and bank reconciliation following a minor amendment. Sample testing supported the accuracy of the audit trail to underlying records.	<b>Yes</b>
K The Council appropriately certified itself as exempt from a limited assurance review by external audit in <b>2019/20</b> .	Council resolved to approve the 2019/20 Certificate of Exemption from external audit at its June 2020 meeting; as receipts and payments for the year did not exceed £25,000.	<b>Yes</b>
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.	<b>Yes</b>
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 22/6/20 and found on the Council's website.	<b>Yes</b>
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 published 22 June 2020; however the Statement of Accounts relates to the previous year. This is to be corrected.	<b>Yes</b>