

INTERNAL AUDIT REPORT

FOR

**CHADWICK END
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2020 - 2021

Prepared by: Bill Robinson

Issued May 2021

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with The Responsible Financial Officer of Chadwick End Parish Council

This report has been prepared solely for Chadwick End Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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Chadwick End Parish Council Internal Audit

The Internal audit was undertaken commencing on the 18th May 2021 with the Parish Clerk/RFO.

Accurate book keeping

- Income and expenditure entries to the spreadsheet were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following payments was carried out.

For year 1st April 2020 to 31st March 2021

Current Account

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	2	£1092.27	BHIB	43/20
BACS	10	£108.32	Waterplus	43/20
BACS	23	£353.08	Fairways	43/20
BACS	26	£500.00	Heranfield rescue	55/20
BACS	33	£15.00	A.Bullivant	55/20
BACS	39	£4090.00	J.Bowen Elec.	69/20
BACS	43	£1860.00	Clarke Plastering	87/20
BACS	51	£236.71	Waterplus	87/20
BACS	57	£60.23	Opus Elec. (Aug)	87/20
BACS	59	£1600.00	J.Bowen Elec.	100/20
BACS	66	£299.00	Premium Blinds	100/20
BACS	73	£63.50	R.Horsfield	100/20
BACS	78	£242.04	TCL Tool Hire	116/20
BACS	86	£50.35	Zoom	116/20
BACS	93	£51.60	IPL	127/20
BACS	102	£22.25	RBL	127/20
BACS	108	£70.00	Nest	07/21
BACS	114	£50.00	Unity Trust Bank	07/21
BACS	123	£92.02	Opus elec.	07/21

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	131	£61.73	Fortress	19/21
BACS	137	£50.00	Coffee Cake & Play	30/21
BACS	142	£1410.02	Opus Elec.	30/21
BACS	148	£150.00	Play Insp. Co.	42/21

All payments were found to be matched to the individual invoice and minutes
All other payment audit trails proved satisfactory

Year End Accounts

The year end accounts for the financial year 2020-2021 were checked and found to be arithmetically correct across all accounts to the figures shown.

Receipts and payments

These were checked and found to be correct, with all income properly banked correctly.

Income Control

It was noted that there all receipts including the precept were paid directly to the Chadwick End Parish Council bank account.

It was noted in minute 55/20 that the VAT repayment for the financial year 2019-2020 was properly reclaimed.

It was noted that the VAT repayment for the financial year 2020- 2021 has been submitted to HMRC
It was noted that bank standing orders and direct debits are used correctly, this is good practice

Budget Controls

It was noted that a proper budget spreadsheet was produced and presented to those Councillors with financial responsibility and is available to all Cllrs for every meeting.

It was noted that all Cllrs received a monthly bank reconciliation from the Clerk/RFO.

It was noted in minute 07/21 ii) that the RFO presented a draft budget to Councillors, this was discussed and the budget and precept set for the financial year 2021-2022- it is good practice to discuss a draft budget.

It was noted in minute 30/21 v) that a Cllr. and the Clerk/RFO will devise a draft three year rolling budget for discussion – this is good practice.

Loans

It was noted that no loans were raised by the Parish Council

Petty Cash

It was noted that Chadwick End Parish Council does not operate a petty cash scheme, and this information will be forwarded to the External Auditor.

AGAR 19/20

It was noted in minute 79/20 i) that the Annual Governance Statement was approved,

It was noted in minute 79/20 ii) that the Annual Accounting Statements was approved.

AGAR 20/21

It was noted that the AGAR for the financial year 2020/2021 will be approved at the June 2021 meeting.

Agendas

It was noted that all agendas were properly constructed and dated and signed by the Clerk thus making them a lawful summons.

Minutes of the Parish Council meetings

All minutes were checked, and found to be satisfactory and properly signed, with no evidence of any unusual activity.

Financial Regulations

It was noted in minute 44/21 ii) that the Financial regulations were approved.

Standing Orders

It was noted in minute 44.21 iii) that the Standing Orders were approved

Asset Register

It was noted in minute 47/20 that the asset register was updated and approved.

It was noted in minute 30/21 iv) that the asset register was further reviewed and approved

Internal Audit Review

It was noted in minute 87/20 iii) that the internal report for the financial year 2019-2020 was discussed in Council and approved – it is good practice to review the internal audit report for effectiveness.

Insurance

Parish Council insurance was checked and found to be satisfactory to meet Chadwick End Parish Council's requirements.

Payroll

It was noted that the company D.Malley payroll has taken over the payroll for Chadwick End Parish Council, with all payroll taxes and NICS being properly dealt with

Risk assessment

It was noted in minute 32/21 i) that although there was an incident of a person/s playing golf on the recreation ground, the Parish Council declined to put up a "No Golf" notice. It would be in the Parish Council's interest to ascertain what its insurers view would be were a resident be hit with a golf ball (would the Parish Council public liability insurance be valid?)

Sec.137 Payments

It was noted that the only expenditure under this power was £22.25 to Royal British Legion for a wreath on poppy day, this expenditure is well within the statutory limit.

Contract of Employment

It was noted that the Clerk/RFO has a proper contract

It was noted in minute 14/21 i) that an appraisal of the Clerks performance will be undertaken by the Chair and one other Councillor. It must be remembered that in order to make an effective appraisal those who appraise must fully understand the role of Clerk/RFO

Parish Council Policies

It was noted that all Parish Council policies are held online, and hosted by the company Hugo Fox, the website is easy to access and is fully compliant with all legislation.

General Power of Competence

It was noted that there are now enough elected Councillors for the acquisition of this power, the Council should consider whether it will encourage the Clerk to complete CiLCA.

Delegated Power

It was noted in minute 45/20 that there were no delegated powers, it might be in the Council's interest to consider delegating power to the Proper Officer (Clerk) in the event that a meeting cannot be held or is not quorate so that no decisions can be lawfully made.

Conclusion

Whilst undertaking the Internal Audit, it is apparent that the Clerk is carrying out her responsibilities to the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are not criticisms as such; rather they are only issues for Chadwick End Parish Council to consider.

It will be noted that in the Internal Audit Report 2020/21 of the AGAR Return 2020/21 Part 3 the internal auditor marked item F and L as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Chadwick End Parish Council it means that there is no petty cash, and that Item L is not applicable to Chadwick End Parish Council. A letter to PKF Littlejohn to that effect has been added by the internal auditor

This concludes the Internal Audit.

Signed.....
W.J.Robinson



Dated... 27th May 2021