

Internal Audit Report

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

Name of council:	FLECKNEY PARISH COUNCIL		
Name of Internal Auditor:	Catherine Camp	Date of report:	25 th May 2021
Year ending:	31 March 2021	Date audit carried out:	25 th May 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:

I met with John Flower (Clerk & RFO) and Jane Everitt (Admin Assistant) on 25th May 2021 to carry out the internal audit of the council. I would like to take this opportunity to thank both John and Jane for their time and assistance.

I examined Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control and compliance with proper practices as set out in the Practitioners Guide. I performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit points had been actioned.

I looked particularly at the arrangements that the Council put in place in response to the Covid-19 restrictions to manage the processes and procedures to ascertain whether the modified arrangements had led to diminution in the overall standard of internal control.

From my examination I can see that the Parish Council continues to be very well managed.

I tested the internal control objectives that I am required to consider and I am satisfied that in all significant respects the objectives have been met.

I draw the Council's attention to the following comments;

1. Publication requirements (as set out in the AGAR Page 1 Guidance Notes) require Section 1 - Annual Governance Statement, and Section 2 the Accounting Statement to be approved and published on the authority website/webpage **before 1 July 2020**. Although the AGAR was approved in good time, the documents were not uploaded to the website until 27th July. An addendum issued by PKF-Littlejohn LLP as a result of the Covid-19 pandemic removed this requirement and extended the deadline to the end of August, meaning that I have been able to answer "Yes" to Box N.
2. Paying of the phone bill for the Village Aid Scheme. – whilst Parish Councils have had to deal with exceptional scenarios during the Covid-19 pandemic, the council should consider carefully how to respond, control and manage any future donations /requests for funding to safeguard the use of public money by a 3rd party.
3. Payment of a grant of £700 to the local village school

Item 102/20 minuted a resolution to pay grants, but actually, the council was doing no more than act as banker for the £1k donation from a local business. With hindsight, it would have been better for the donation to have been paid directly to the recipients rather than via the Parish Council.

4. Although VAT is reclaimed quarterly and reported to full council on the receipts list, it is not identified as a receipt within the minutes, and the receipts list is not included in full as an attachment to the minutes on the website. To aid greater transparency, the Council may wish to consider providing more detail within the minutes going forward.

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.

Yours sincerely,



Mrs Catherine Camp CiLCA; FSLCC: IA
Internal Auditor to the Council
07759 271507
cmcamp64@outlook.com

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	253,829	280,412
2. Annual precept	135,050	143,150
3. Total other receipts	46,540	36,755
4. Staff costs	66,156	63,748
5. Loan interest/capital repayments	10,759	7,825
6. Total other payments	78,092	80,089
7. Balances carried forward	280,412	308,655
8. Total cash and investments	299,013	321,303
9. Total fixed assets and long term assets	1,149,233	1,434,751
10. Total borrowings	15,234	7,699

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. 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.

FLECKNEY PARISH COUNCIL

www.fleckneyparishcouncil.org.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")</i>			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

25/05/2021

LRALC Internal
Audit Service

Name of person who carried out the internal audit

Catherine Camp CILCA;FSLCC;IA

Signature of person who
carried out the internal audit

Catherine M Camp

Date

26/05/2021

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).