

INTERNAL AUDIT REPORT

FOR

**CHADWICK END
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2021 - 2022

Prepared by: Bill Robinson

Issued June 2022

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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.



Consultant

W.J.Robinson. BA (Hons) MA

74 George Street
Stockton
Southam
Warwickshire
CV47 8JT
Tel: 01926 814094
Mobile: 07732 638336
e-mail: wj.robinson@tiscali.co.uk

Chadwick End Parish Council Internal Audit

The Internal audit was undertaken commencing on the 25th May 2022 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 transactions was carried out.

For year 1st April 2021 to 31st March 2022

Current Account

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	1	£1103.19	BHIB	51/21
BACS	9	£329.30	Fairways	51/21
BACS	10	£121.58	WaterPlus	75/21
BACS	16	£97.00	EDF	75/21
BACS	20	£329.30	Fairways	96/21
BACS	30	£181.40	W.Robinson	96/21
BACS	34	£55.52	Everflow	110/21
BACS	38	£71.22	Fortress	110/21
BACS	47	£181.91	Lloyds	120/21
BACS	54	£52.99	Everflow	120/21
BACS	55	£60.00	WALC	133/21
BACS	59	£15.00	A.Bullivant	133/21
BACS	66	£650.00	TNT Tree Care	134/21
BACS	71	£180.00	0800 Asbestos	134/21
BACS	79	£70.00	NEST	152/21
BACS	91	£347.30	Fairways	152/21
BACS	96	£97.00	EDF	10/22
BACS	103	£22.99	Lloyds	10/22
BACS	106	£20,550.00	Ecotex	23/22
BACS	116	£347.30	Fairways	23/22

Payment	Invoice	Amount £	Payee	Minute Ref.
BACS	122	£97.00	EDF	23/22

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 2021-2022 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, and matched to the relevant bank statement.

Income Control

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

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 is still produced and presented to those Councillors with financial responsibility and is available to all Cllrs for every meeting.

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

It was noted in minute 54/21 that the Chadwick End Village Hall hire fees were formally reviewed – it is good practice to review all fees on a regular basis.

It was noted in minute 96/21 item ii) that a 3 year budget plan was approved – it is good practice to look at the budget in the long term

It was noted in minute 152/21 iii) that the Clerk/RFO provided a draft budget to Councillors for discussion at the January 2022 meeting and- it is good practice to discuss a draft budget.

It was noted in minute 158/21 item ii) that a travel and expenses policy has been approved, and will be reviewed in two years time – this is good practice.

It was noted in minute 158/21 item iii) that the hire fees for the financial year 2022-23 were approved – good practice.

It was noted in minute 10/22 item ii that the budget and precept for the financial year 2022- 23 was approved.

It was noted that Chadwick End Parish Council now has a corporate credit card to make payments and these are listed separately on a monthly financial report from the Clerk/RFO – this recording separately is a good idea. It might be in the Parish Council's interest to have a policy for the usage of this card.

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 2020-21

It was noted in minute 96/21 item iv a) that the Annual Governance Statement was approved,

It was noted in minute 96/21 item iv b) that the Annual Accounting Statements was approved.

Agendas

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

Public Rights of Inspection

It was noted in minute 120/21 ii) that notification of these rights and the dates for public inspection for the financial year 2020/21 were approved – this is a statutory requirement.

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.

It was noted that Chadwick End Parish Council is now moving from monthly to bi-monthly meetings. The Parish Council should be aware that Council meetings must be public meetings, and where Cllrs. as a body meet between meetings to discuss Council business, this could well be construed as a Council meeting.

Financial Regulations

These regulations were seen on the Parish Council website and it was noted that they were reviewed and approved at the Annual Parish Council meeting in May 2022. It was noted in minute 44/21 ii) that the Financial regulations were approved. It might be in the Parish Council's interest to look at the latest NALC model set

Standing Orders

It was noted in minute 101/21 i) that the Standing Orders were updated and approved- It might be in the Parish Council's interest to look at the latest NALC model set

Asset Register

The register was seen online and the value of the assets at £4353,390 was approved in May 2022. This value matched Box 9 of the AGAR and was in line with the insurance value.

Internal Audit Review

It was noted in minute 96/21 iii) that the internal report for the financial year 2020-2021 was discussed in Council and approved – it is good practice to review the internal audit report for effectiveness.

Insurance

Parish Council insurance with BHIB 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 deals with the payroll for Chadwick End Parish Council, with all payroll taxes and NICS being properly dealt with

Risk assessment

It was noted in minute 55/21 that all outstanding items from the fire risk assessment to the village hall were implemented – this is good practice.

It was noted in minute 136/21 ii) that an individual Cllr. would undertake an annual fire inspection and report findings to the next Parish Council meeting – this is good practice.

It was noted in minute 137/21 that maintenance issues at the playground have been repaired, and two Cllrs. will look at further issues – good practice.

It was noted in minute 159/21 that a Cllr will take responsibility for risk assessments.

It was noted in minute 24/22 that 2 Cllrs undertook Fire Safety training – this is good practice.

Sec.137 Payments

It was noted that no payments were made under this power.

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.

It was noted in minute 101/21 iii) and iv) that Transparency Code and Publication Scheme policies were approved

Noted in minute 158/21 i) that the Equality and Diversity Policy has been reviewed by 2 Cllrs.

Communications Policy

It was noted in minute 122/21 that an individual Cllr from Chadwick End Parish Council is dealing with a Parish Council Instagram account, there is nothing wrong with this arrangement per sec. the Parish Council should beware of Council policy being made (inadvertently) on an individual basis rather than a corporate Parish Council decision

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 101/21 ii) that a Scheme of Delegation has been approved.

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 2021/22 of the AGAR Return 2021/22 Part 3 the internal auditor marked item F and K 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 K 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... 7th June 2022