

REPORT OF THE INTERNAL AUDITOR

- i) The Clerk has met with the Internal Auditor Susan Saunders,
- ii) The first meeting was to brief the auditor and to deposit the Bank Statements, Receipts and Payments 2020/2021 file, an electronic copy of the Cash Book and Approved Minutes. The auditor examined the relevant materials and tested them against the Council's Internal Audit Plan.
- iii) The second meeting was to review with the auditor the outcome of his review of materials and to identify any areas which may require attention in 2021/2022 and to sign off the Internal Auditor's report, ready to submit to Council on
- iv) The Internal Auditor's report is attached.
- v) **The Parish Council is asked to consider the report, and if acceptable, to receive the report as preparation for the External Audit which will get underway from.**

HALTWHISTLE TC

INTERNAL AUDIT PLAN

Internal Control	Suggested testing	Response	Comments
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? 	Y	
	<ul style="list-style-type: none"> • Is the cashbook arithmetic correct? 	Y/N	The transactions are all recorded correctly but the reconciliations are now balanced.
	<ul style="list-style-type: none"> • Is the cashbook regularly balanced? 	Y	Bank reconciliation presented to Council at meetings
Standing Orders and Financial Regulations - adopted and applied?	<ul style="list-style-type: none"> • Has the council formally adopted standing orders and financial regulations? 	Y	Minuted
	<ul style="list-style-type: none"> • Has a Responsible finance officer been appointed with specific duties? 	Y	Employment contract and duties in place.
	<ul style="list-style-type: none"> • Have items or services above the de minimus amount been competitively purchased? 	N/A	
Payments controls	<ul style="list-style-type: none"> • Are payments in the cashbook supported by invoices, authorised and minuted? 		Minuted
	<ul style="list-style-type: none"> • Has VAT on payments been identified, recorded and reclaimed? 	N/A	No VAT has been claimed. Potential of £10.92 can be claimed but one invoice is from June 2018 so would need to be claimed before June 2021.
	<ul style="list-style-type: none"> • Is s137 expenditure [grants] separately recorded and within statutory limits? 	N/A	No small grants made this year

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Internal Control	Suggested testing	Response	Comments
Risk management arrangements	• Does a review of the minutes identify any unusual financial activity?	N	
	• Do minutes record the council carrying out an annual risk assessment?	N	Advice to undertake Financial Risk Assessments
	• Is insurance cover appropriate and adequate?	Y	Insurance checked
	• Are internal financial controls documented and regularly reviewed?	Y	Minuted
	• Is income properly recorded and promptly banked?	Y	Minuted
	• Does the precept recorded agree to the Council Tax authority's notification?	Y	Minuted
Income Controls	• Are security controls over cash and near-cash adequate and effective?	N/A	
	• Do all employees have contracts of employment with clear terms and conditions?	Y	
	• Do salaries paid agree with those approved by the council?	Y	Minuted
	• Are other payments to employees reasonable and approved by the council?	Y	Minuted
	• Have PAYE/NIC been properly operated by the council as an employer?	Y	
	• Does the council maintain a register of all material assets owned or in its care?	N	No great value of assets
Assets controls	• Are the assets and Investments registers up to date?	n/a	
	• Do asset insurance valuations agree with those in the asset register?	Na/	
Internal Control	Suggested testing		Comments
Bank Reconciliation	• Is there a bank reconciliation for each account?	Y	
	• Is a bank reconciliation carried out regularly and in a timely fashion?	Y	Income & expenditure produced for meetings

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	any reconciliation?		
Year-end procedures	<ul style="list-style-type: none"> Is the value of investments held summarised on the reconciliation? 		No investments.
	<ul style="list-style-type: none"> Are year-end accounts prepared on the correct accounting basis? 		Council operates Receipts/Payments accounts
	<ul style="list-style-type: none"> Do accounts agree with the cashbook? 	Yes	
	<ul style="list-style-type: none"> Is there an audit trail from underlying financial records to the accounts? 	Yes	
	<ul style="list-style-type: none"> Where appropriate, have debtors and creditors been properly recorded? 	N/A	Council operates Receipts/Payments accounts

<p>I confirm that I have examined the relevant accounts as presented to me by the Responsible Finance Officer.</p> <p>The accounts are in basically in good order. Regular bank reconciliations are advised. They are the Council's best tool to monitor financial management of its accounts. Monthly reports to Council of receipts and payments are in line with legislation. A separate record of s 137 payments is needed. Employment issues such as contract and expenses need addressing.</p> <p>Financial Regulations are required along with Risk Assessments.</p> <p>I hereby state that I am satisfied with Featherstone Parish Council's conduct of its financial affairs, its accounts procedures and its financial reporting.</p>	<p>Signed Examiner:</p> <p style="text-align: center;"><i>SM SAUNDERS</i></p> <p>Date:</p> <p style="text-align: center;">16/5/19</p>
<p style="text-align: right;">MRS SUJAN SAUNDERS MAAT CILCA</p>	