

Annual Internal Audit Report 2020/21

Wootton Parish Council

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.			N/A
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. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. The authority 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 (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).			✓
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

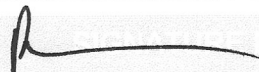
Date(s) internal audit undertaken

16/05/2022

Name of person who carried out the internal audit

PHILIP PARKER

Signature of person who carried out the internal audit



Date

16/05/2022

*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).

Wootton Parish Council

Accounts 2020-21 and 2021-22 Internal Audit report

History

1. Audit for 2020-21: I was asked to carry out the internal audit in May 2021 for the 2020-21 accounts. The paperwork was incomplete. I submitted a request for more information to the clerk; I received a response from the chair, and provided a report on the various controls that I could not confirm were in place with the information provided. I did not hear any more about the 2020-21 audit, until May 2022.
2. In May 2022, the new clerk presented me with as much information as she could provide on both the 2020-21 and 2021-22 accounts. I have used this information, along with my 2021 report, to complete the internal audit for both years.
3. As the record keeping for both 2020-21 and 2021-22 has been very poor, the same issues arise and the same controls in each year are not in place or are not evidenced. This report therefore supports the internal audit checklist for both years.
4. I am pleased to report that the record keeping for 2022-23 seems much improved and am hopeful that with the new clerk in place, the Councillors will be able to fulfil their duties to record their decisions, manage risks and keep clear accounting records.

Summary

5. The lack of minutes of meetings means there is very little evidence of appropriate decision making of financial control. I have therefore recorded many of the control as 'not covered' as it is possible that some control may have been in place. I plan to review these controls next year, through the decisions that are minuted and the paperwork supporting those decisions.
6. There is a lack of invoices for many of the expenses in both years. Invoices must be filed and cross referenced with payments (date or cheque numbers).
7. Bank reconciliations should take place during the year. As the number of transactions is quite small, I recommend quarterly reconciliations would be sufficient.
8. In 2020-21, there are two payments that are still undocumented, to Wootton Web and to HMRC. The unexplained differences total GBP 100 and GBP 703.13 respectively.

Specific controls that are not in place or not evidenced

The letters indicate the controls as listed on the standard internal audit report page of the Annual Governance and Accountability Return (AGAR).

Control A: appropriate accounting records have been kept throughout the year

- No. There is a general lack of accounting records. These are now being put in place for 2022-23, but there are insufficient records to recreate the audit file for 20-21 and 21-22

Control B: The authority complied with financial regulations, payments supported by invoices etc.

- No. Not all invoices for 20-21 and 21-22 are on file

Control C: The authority assessed significant risks

- No. There are no minutes for much of the two years so no evidence that risks were considered and assessed

Control D: the precept resulted from an adequate budgetary process:

- Not covered as there is no paperwork on file, and no minutes to record whatever decision process took place. I will review the budgetary process for 2022-23 next year.

Control E: Income fully received

- Yes; the only income each year is the precept and the grass cutting grant.

Control F: Petty cash

- Not applicable – there is no petty cash

Control G: Salaries

- Not covered. There are insufficient records to ensure that the correct salaries were paid, and the large payments to HMRC in 20-21 are not explained.

Control H: Asset register

- Yes. This is now in place.

Control I: periodic bank reconciliations

- No. These were not done during the year.

Control J: accounting records during the year were on the correct basis with adequate audit trail

- No

Control K: regarding exemption from limited assurance review in 20-21, the authority met the exemption criteria and correctly declared itself as exempt

- Not covered. There are insufficient records to assess this

Control L: free access to information on a website

- No. This is not yet in place, but I understand is being organized and will be in place shortly.

Control M: public access to accounts

- No.

Control N: Publication requirement for relevant year

- No. This is not yet in place, but I understand is being organized and will be in place shortly.

Philip Parker