

INTERNAL AUDIT REPORT 2021-22

MORETON SAY PARISH COUNCIL

1 INTRODUCTION

As the Council's Internal Auditor I have independently carried out an examination of areas which meet the internal control objectives as listed on the Annual Governance and Accounts Return (AGAR); best practices as outlined in the Practitioners Guide 2021 for the year ended 31st March 2022.

The audit has been carried out using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and controls in operation through a review of the evidence of these controls and selected detailed sampling. The Annual Internal Audit Report on the AGAR; was then completed.

2 OVERALL

The standard of administration and system of internal controls relating to the audit areas examined throughout the financial year were considered to be of a high standard and meet the needs of the Council and those recommended in The Practitioners' Guide 2021. Neither the Council's receipts nor payments have breached the £25,000 limit this year and therefore the Council will be eligible for an exemption from being externally audited.

Findings on pages 2-3 supports the above statement.

A sample review of Council meeting minutes confirmed that the Council was quorate when it met and that council decisions were clearly recorded. Reliance was placed on the Council's website during the audit which meets transparency & GDPR requirements and was found to be both informative and easy to use.

I would like to thank the Clerk for her patience in scanning in and presenting such well organised records which have assisted the internal audit process. Should you have any queries with this report please do not hesitate to get in touch.

Regards,

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Date: 11/4/2022

3 INTERNAL AUDIT DETAILED FINDINGS – MORETON SAY PARISH COUNCIL 2021/22

Key Control Objective	Findings	The key control objective has been satisfactorily achieved?
A. Appropriate accounting records have been properly kept throughout the financial year.	The primary accounts record examined 1-4-21 to 31-3-22; (i.e. the excel receipts and payments ledger) was found to be comprehensive, accurate and complete providing a full audit trail to documents, council minutes, and powers. The opening balance was agreed to the previous year's AGAR closing bank balance and detailed testing of a sample of transactions per the accounts supports its accuracy. (See B & E & I below.)	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	A sample of 11 payments were agreed between the Council minutes and accounting records. They were satisfactorily traced to supporting invoices/receipts. VAT was found to be appropriately accounted for within the accounts and Financial Regulations complied with, as supported by the grass cutting contract awarded in March 21.	Yes
C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Council's risk assessment schedule was last reviewed and adopted by Council in May 2021. Additional policies were also adopted at the same meeting including Financial Regulations and Standing Orders. Good internal financial control checks have been routinely carried out by an independent councillor. The Council mitigates risk through its insurance policy.	Yes
D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.	Budget Monitoring -The Clerk/RFO regularly provides detailed quarterly monitoring reports. Budget Setting 2022-23 – The Clerk/RFO presented a draft budget in the autumn which was considered and adopted at the Council's Jan 2022 meeting (Outturn £22,800 including projects). Council also resolved that a Precept of £12,627 again be requested with projects being funded from reserves. Reserves – The closing balance as at 31/3/22 £19,732 includes a CIL ring fenced balance.	Yes
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	A precept receipt of £12,627 and CIL grant were agreed to supporting remittances. The precept was also agreed to the previous year's Council decision and MHCLG Precept Data. Two VAT refunds were also received.	Yes

F. Petty Cash has been properly accounted for.	None held	Yes; as not applicable
G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.	All pay calculations are processed using HMRC RTI software and approved by Council. These were found to be accurate and in agreement with the Clerk's contract, Council decisions and National Pay Scales, however no SP increment appears to have been awarded. The matter requires further investigation by the Staffing Committee. No allowances have been paid to members.	Yes
H. Asset and investment registers were accurate and properly maintained.	The Asset Register has not required amendment as no in year movement in assets has occurred. Assets are valued as per JPAG guidance. No investment register is required.	Yes
I Periodic Bank Reconciliations were properly carried out during the year	Evidence was sighted in the minutes of monthly bank reconciliations being resented by the Clerk/RFO to Council and checked by an independent councillor to bank statements. Q2 & 4 bank reconciliations were re-performed by the auditor and found to be correct.	Yes
J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	The AGAR and yearend accounting statement for the year has been prepared accurately on a receipts and payments basis, agrees with the cash book, bank reconciliation and Fixed Asset Register. Sample testing (above) supports that the audit trail to underlying records is adequate.	Yes
K The Council appropriately certified itself as exempt from a limited assurance review by external audit in 2020/21 .	Not Applicable as neither total receipts nor total payments were less than £25,000.	Not Covered
L. Council publishes information on a free website/webpage up to date at the time of the internal audit, in accordance with the Transparency Code for smaller councils.	The Council's website was found to be both informative, up to date and meets transparency requirements. (Examined 3/2/22.)	Yes
M Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations.	The appropriate Notice for the Exercise of Public Rights and AGAR and associated paperwork were found on the Council's website. (3/2/22)	Yes
N. The Council has complied with the publication requirements for the 2021 AGAR	All relevant AGAR documentation was found on the Council's website (published on 20/5/21), The Conclusion of External Audit Notice and Certificate was published on 26/8/21; no significant issues were reported.	Yes
O. Trust funds – the Council has met its responsibilities as a trustee.	The Council is not the sole trustee of such a fund.	Not Applicable.

