

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 page 4 of the Annual Governance and Accounts Return (AGAR); for the year ended 31st March 2020.

The audit has been carried out remotely on a risk assessment basis, placing reliance on documents available on the Council's website and those provided electronically by the Clerk/RFO. It assesses the Council's compliance with legal requirements and best practices as outlined in the Practitioners Guide 2019.

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, which adequately meets the needs of the Council and has enabled me to complete the Annual Internal Audit Report on page 4 of the AGAR positively.

The RFO's completion of the Certificate of Exemption from External Audit for 2019/20 is appropriate.

3 DETAILED FINDINGS & RECOMMENDATIONS

The following outlines the areas covered:

A Appropriate accounting records have been properly kept throughout the financial year.

The internal control objective has been met. The primary accounts record examined (i.e. the excel receipts and payments ledgers) were found to be accurate and provide a comprehensive analysis of receipts and payments; meeting both accounting and Council requirements.

B The Council complied with its financial regulations, payments were supported by invoices/vouchers, and all expenditure was approved and VAT was appropriately accounted for.

The internal control objective has been met. Total payments for the year £11,399.

A sample of 11 payments were examined (including Payroll); they were agreed from financial accounts to Council Minutes. Council authorisation supporting each payment was easily traced in the minutes and Council's approval of the payment was also evidenced by two councillors initialing/signing the supporting invoice/voucher concerned.

Payments examined complied with the Council's Financial Regulations which were had recently been updated and adopted in September 2019; these conform to the recent NALC model.

VAT is appropriately accounted for in the Payments Ledger and VAT relating to 2018/19 was successfully claimed during the year.

C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The internal control objective has been met. The Council's Annual Risk Assessment, was approved and adopted by Council at its May 2019 meeting. Evidence of bank reconciliation internal control checks, carried out by councillors is now present on bank statements and quarterly payroll checks are carried out. Assets are insured and physically inspected, whilst recreational areas and street lighting are regularly maintained. These and a strong policy framework mitigate the risks present.

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.

In Year Budget Monitoring – The Clerk compiles quarterly budget monitoring reports. The Clerk presented at the November meeting a 2020/21 Budget Projections report; based on the half year budget monitoring report and past expenditure.

Precept/Budget 2020/21 – The Council agreed to set a precept of £12,600 at its January 2020 meeting which is supported by the Clerk's Budget Projections report which detailed Total Expenditure of £14,340. The latter was not annotated within the minutes. **To encourage clarity reference to the numerical Total Budgeted Expenditure should ideally be imbedded within the minutes or the Budget Projections report itself.**

Reserves - The yearend balance of £3,785 is considered low when taking into account £1,351 relates to ring fenced Neighbourhood Funds. **Overall the internal control objective has been met.**

E Expected income was fully received, based on correct prices, properly recorded and banked.

Overall the internal control objective has been met. Total receipts for the year were £13,700. These were satisfactorily traced to banking records and supporting documentation where available and comprised mainly of a precept receipt of £12,200; Neighbourhood Fund £1,351 and VAT reclaim of £136.46.

F Petty Cash Float - No petty cash float is held by the Clerk.

G Salaries to employees and allowances to members were paid in accordance with the Council's approvals and PAYE & NI requirements were properly applied

Overall the internal control objective has been met. The Clerk's 12 salary payments as detailed in the accounts; have been agreed to HMRC RTI Employees Payment records. There was evidence of Council minutes supporting all salary payments. The Clerk's mileage costs have been included as Staff Costs on the Annual Return. Members did not receive allowances during the year.

H Asset and investments registers were complete and accurate and properly maintained

Overall the internal control objective has been met. The Council's fixed asset register as at 31/3/20 was examined and found to clearly detail assets at their cost and insurance values where the value is unknown. Total value £13,443. In year movement was satisfactorily accounted for. The Council is insured via Came & Company; the current policy expires on 31/5/20. **The internal control objective has been met.**

I Periodic and Year-End Bank Reconciliations were properly carried out.

Overall the internal control objective has been met. A year end bank reconciliation has been carried out by the Clerk and re performed and agreed by the Auditor. The Clerk regularly presents bank reconciliations to Council

J Annual Governance & Accountability Return (AGAR) 2019/20; Statement of Accounts

Overall the internal control objective has been met. The AGAR's, Statement of Accounts has been correctly compiled on a receipts and payments basis and is supported by accounting records.

The Clerk/RFO has completed a Certificate of Exemption from External Audit in readiness for approval by Council. This is appropriate given that gross receipts or payments do not exceed £25,000.

K The Council appropriately certified itself as exempt from a limited assurance review by external audit in 2018/19

Overall the internal control objective has been met. The Council fully met the exemption criteria in 2018/19 and resolved to approve the Certificate of Exemption at their May 2019 meeting. The certificate and supporting AGAR were subsequently published on the Council's website.

L. During summer 2019 Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations 2015.

Overall the internal control objective has been met. The notice of the period for the exercise of public rights was fully completed and advertised on the Council's website during the summer 2019.

Trust Funds - The Council is not responsible for a trust fund.

Council Meetings & Website - A sample review of Council meeting minutes confirmed that the necessary number of councillors were in attendance achieving the required quorum. Council minutes examined were appropriately signed as accurate.

A brief review of Council's records on the Council's website confirmed that the website was overall up to date and informative.

Should the Council or Clerk have any queries with this report please do not hesitate to contact me. I would like to thank Jane for providing the necessary information to enable the desk based audit to be completed.

Best Regards,

S D Hackett

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