

Annual Internal Audit Report 2019/20

CORELEY PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 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	Agreed? Please choose one of the following		
	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.		/	DO NOT USE.
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 and year-end bank account reconciliations were properly carried out.	✓		
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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")	✓		
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (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

24/06/20 28/06/20

Name of person who carried out the internal audit

KEVIN LAWRENCE ADAMS

Signature of person who carried out the internal audit



Date

28/06/20.

*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).

INTERNAL AUDIT REPORT 2019/20

To

Coreley Parish Council

I have carried out an internal audit in accordance with the Council's needs, and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

Internal Audit Opinion

In my opinion the internal controls in place were sufficient for the Council's purposes during 2019/20

Points to note

1. Petty Cash (internal control objective f)

The Council does not operate a petty cash account and hence it is not appropriate for this control objective to be included in the internal audit coverage.

2. The Council has several reserve funds

General fund	£ 3,900.30
Transparency fund	£ 542.42
Highways maintenance fund	£ 0.00
Parish plan fund	£ 200.00
Election fund	£ 500.00
<u>Total</u>	<u>£ 5,142.72</u>

These funds are held in the bank account :-

Balance 31/03/20	£ 5,342.72
<u>Unpresented</u>	<u>£ 200.00</u>

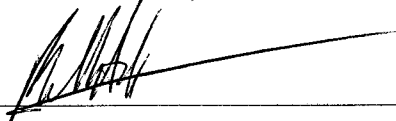
<u>Total</u>	<u>£ 5,142.72</u>
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The transparency fund is now used for the maintenance of the website,

Audit and report prepared by

Kevin Lawrence Adams Bsc,

Signed



Date

28/06/2020.

Parish Coreley Parish Council

Year 2019/20

ref	Question	Yes / No	Comments
A	Appropriate books of account during year		
	Are there account books	Yes	Yes
	Are they up to date	Yes	Yes
	Are they accurate and agree with vouchers	Yes	Yes some missing
B 1	The councils financial regulations been followed		
	Does the council have financial regulations	Yes	
	Are the clerk / finance officer / members aware of them	Yes	
	Have they been followed	Yes	
B 2	Payments are supported by invoices		
	do the accounts tally to invoices	Yes	
	do the payments/cheques tally to invoices	Yes	
B 3	Vat is properly accounted for		
	are invoices vatable	No	
	is vat calculated correctly	n/a	
	has vat been reclaimed from HMR&C	n/a	Vat to be reclaimed
C	the council assesses the significant risks to achieving its objectives and reviews the adequacy of controls to manage those risks		
	Are there clear objectives	Yes	
	are risks to each objective identified	Yes	
	are those risks evaluated	Yes	
	are controls in place to ameliorate those risks	Yes	
	have arrangements been reviewed	Yes	
D 1	The annual precept requirement resulted from an adequate budgeting process		
	was there a budget	Yes	
	was it formally reviewed and approved by the council	Yes	
	was the precept notified to the billing authority	Yes	
D2	Progress against the budget was adequately monitored		
	Are regular financial reports made to the council	Yes	
	Does the council take appropriate action where necessary regarding potential budget over/underspends	n/a	Did not arise
E	Expected income was fully received based upon correct prices		
	does the council have a scale of charges	n/a	
	was it approved by council	n/a	
	was the precept received in full	Yes	
	was income received on time and banked promptly	Yes	
	was vat charged correctly	n/a	
	was vat charged paid to HMR&C / netted of claim to HMR&C	n/a	

Ref	Question	Yes / No	Comments
F	Petty cash payments are supported by receipts		
	are there petty cash payments	No	
	are amounts backed by receipts	n/a	
	was approval gained, or payments within fin reg guidelines	n/a	
	was vat accounted for properly – vat number on receipt	n/a	
G	Salaries to employees and members allowances paid in accordance with council policies		
	are there council policies re employees and members allowances	n/a	Clerk – salary agreed
	have they been followed	Yes	
	have PAYE and NI been accounted for correctly, or	Yes	
	is there evidence of correct self certification by employees / members	n/a	
H	Asset and investment registers are complete and accurate and properly maintained		
	Is there an asset / investment register	Yes	Inc in insurance document
	is it updated for acquisitions and disposals in a timely manner	Yes	
	is it reported to council	Yes	
I	Bank reconciliations are carried out periodically and at year end		
	have bank reconciliations been carried out	Yes	
	are they accurate	Yes	
	were they timely	Yes	
J 1	Year end accounts were prepared on a correct accounting basis, agreed with the cash book and supported by an adequate audit trail		
	is there a cash book	Yes	Spreadsheet
	are there accounts	Yes	Spreadsheet
	are the accounts accurate	Yes	
	are the entries in the accounts backed by adequate evidence	Yes	
J 2	Where appropriate are debtors and creditors properly recorded		
	are there debtors	No	
	are they recorded properly	n/a	
	is recovery action carried out	n/a	
	are write offs approved by council or within fin reg limits	n/a	
	are there creditors	No	
	are they paid promptly	n/a	
K	did the council meet the exemption criteria for limited assurance and Declare it correctly.	Yes	
L	did the authority demonstrate during 2019 correct provision of Public rights	Yes	
K	Have the Council met its responsibilities as trustees of Trust Funds where appropriate		
	Does the council hold trust funds	No	Comments on poor land are because they nominate recipients – council doesn't manage the trust
	Have Trust funds been accounted for properly	n/a	
	Have Trusts been monitored by the Council	n/a	
	Have custodial trustee roles been properly exercised	n/a	