

INTERNAL AUDIT REPORT
FOR
THURLASTON PARISH COUNCIL
FOR THE FINANCIAL YEAR
2019 - 2020

Prepared by: Bill Robinson

Issued June 2020

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Thurlaston Parish Council

This report has been prepared solely for Thurlaston Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



Consultant

W.J.Robinson. BA(Hons) MA

74 George Street
Stockton
Southam
Warwickshire
CV47 8JT

Tel: 01926 814094
Mobile: 07732 638336
e-mail: wj.robinson@tiscali.co.uk

Thurlaston Parish Council Internal Audit

The Internal audit was carried out remotely on Wednesday 1st June 2020.

Accurate book keeping

- Entries to the cashbook spreadsheet were checked and found to be up to date.
- Bank reconciliation – this was checked for the following accounts and found to be correct and reconciled at the 31 March 2020
- In addition, an audit trail for the following cheques was checked across all Parish Council accounts, and the results noted below.

For financial year 1st April 2019 to 31st March 2020: -

Expenditure current account

Date	Cheque No.	Minute ref.	Payee	Amount
17/04/19	000709	13/05/19 – 10c	WALC	£126.00
01/06/19	000714	08/07/19 – 8b	W.Robinson	£105.00
08/07/19	000717	08/07/19 – 8b	E.ON	£139.99
03/08/19	000719	09/09/19 – 9c	M'soft Office 365	£113.76
09/09/19	000726	09/09/19 – 9c	HMRC	£306.20
11/11/19	000728	11/11/19 – 9c	E.ON	£141.52
11/11/19	000729	11/11/19 – 9c	R.Robinson	£810.00
22/12/19	000733	13/01/20 - 18b	Thurlaston Ladies club	£300.00
13/01/20	000737	13/01/20 - 18b	CPRE	£36.00
09/03/20	000740	09/03/20 - 19	WCC	£165.98
09/03/20	000742	09/03/20 - 19	HMRC	£236.00

All cheques listed above were found to have been dealt with in a correct manner.

The year end accounts were checked and found to be arithmetically correct to all bank statements at 31 March 2020

Precept

It was noted in minute 11/11/19 item 9d that the budget and precept for the financial year 2020 – 2021 was discussed with a formal decision on the level to be reached by December 2019

Budget Controls

It was noted in minutes that the Clerk/RFO produces a finance spreadsheet with each agenda showing details of the actual expenditure on a bi monthly basis this is a good practice.

All budget controls were checked and found to be satisfactory

Bank reconciliation checked and found satisfactory.

Balances and reserves were checked satisfactorily.

It was noted that the accounts are reconciled and presented on a monthly basis to Parish Councillors – this is good practice.

Agendas

It was noted that all agendas were properly signed by the Clerk to make them a lawful summons to the meeting.

It was noted that in the Finance items on the agendas, there is “any other items for discussion”, the Clerk should be aware that the agendas are to show Councillors, the public and press what is going to be determined at a meeting, with each item clearly set out. “Any other matters” should not be seen on agendas

Income Control

It was noted that receipts were banked promptly, and the paying in spreadsheet satisfactorily checked against the spreadsheet.

It was noted VAT repayments have been received

Payroll

All employment and tax records were seen and found to be satisfactory, with taxes properly made to HMRC using the RTI system

Sec.137 Payments

It was noted that items of Sec.137 expenditure are identified as a separate column in the cashbook spreadsheet, and that expenditure is within statutory limits

Minutes of Parish Council meetings

All minutes were checked, and found to be satisfactory, properly signed by the Chair, and with no evidence of any unusual activity.

Financial Regulations

It was noted online that the regulations were formally adopted at the meeting of 23rd October 2019, it is good practice for all council policies to be available online to parishioners.

Standing Orders

It was noted online that the regulations were formally adopted at the meeting in February 2019, it is good practice for all council policies to be available online to parishioners.

Internal Audit

It was noted in the minutes of the meeting on 13/05/19 item 10f that the Parish Council reviewed the 2018 – 2019 internal audit for effectiveness - this is good practice and the Parish Council is to be commended

Insurance

It was noted that the Parish Council is still in a new three-year contract with Came & Company to provide insurance – it is good practice to enter into multi-year contracts where they can yield monetary benefits to the Council through lower premiums

The insurance levels were checked and found to be standard for the Parish Council requirements

Asset Register

It was noted that the asset register has been simplified and therefore much easier to understand and reflects the value of the assets.

Risk Assessment

It was noted that the Risk Management policy has been formally reviewed on 5th April 2019 Health and Safety Policy and is held online.

The policy is a good document.

Contracts of Employment

It was noted that the Clerk has a contract of employment.

It would be in the Council’s interest to consider paying for the Clerk to become a member of the Society of Local Council Clerks (SLCC) as this gives further training possibilities, networking possibilities and general support for Clerks.

General Power of Competence

The Parish Council should consider whether the acquisition of this power could assist the Council in its day to day business

Transparency code for Smaller Authorities

It is noted that Thurlaston Parish Council website is free to use, and the Council is to be congratulated on the ease of which anyone can access it and its content

Conclusion

The Internal Audit went well and no serious problems were found. Comments from the Internal Auditor are for the Parish Council to evaluate, and implement if it feels that this will help the Parish Council in running its business.

It will be noted that in the Internal Audit Report 2019/20 of the AGAR Return Part 3 the internal auditor marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Thurlaston Parish Council it means that there is no petty cash. A letter to PKF Littlejohn to that effect has been added by the internal auditor, although given that Thurlaston Parish Council will declare an exemption from the external audit this will just be for the Parish Council records.

It is apparent that the Parish Clerk is competent, and the help that she gave the internal auditor shows that she is conversant with the requirements of Local Government Finance, and carries out her duties in a competent fashion

This concludes the 2019 - 2020 Internal Audit for Thurlaston Parish Council

Signed... 

W.J. Robinson

.....Dated...3rd June 2020