

INTERNAL AUDIT REPORT
FOR
THURLASTON PARISH COUNCIL
FOR THE FINANCIAL YEAR
2020 - 2021

Prepared by: Bill Robinson

Issued June 2021

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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.



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Thurlaston Parish Council Internal Audit

The Internal audit was carried out Tuesday 15th June 2021.

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 2021
- 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 2020 to 31st March 2021: -

Expenditure current account

Date	Cheque No.	Minute ref.	Payee	Amount
11/05/20	745	11/05/20-17	E.ON	£139.99
11/05/20	746	11/05/20-17	WALC	£148.00
13/07/20	749	13/07/20-8	W.Robinson	£105.00
14/09/20	751	14/09/20-8	WALC	£120.00
14/09/20	753	14/09/20-8	Came & Company	£658.00
14/09/20	757	14/09/20-8	HMRC	£208.20
09/11/20	759	09/11/20-8	ICT	£150.00
09/11/20	763	09/11/20-8	R.Robinson	£840.00
11/01/21	766	11/01/21-8	Zoom	£115.10
11/01/21	769	11/01/21-8	Cornerstone Barristers	£1200.00
11/01/21	772	11/01/21-8	K.Boardman	£72.06
09/03/21	774	09/03/21-8	E.ON	£141.52
09/03/21	775	09/03/21-8	Warwickshire CC	£159.61
09/03/21	777	09/03/21-8	Avon Planning	£168.00
09/03/21	779	09/03/21-8	The Landscape Partner	£4198.80

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 2021

The internal auditor report for the AGAR 2020-2021 was signed by this internal auditor.

Budget and Precept

It was noted in minutes of the meeting on 09/11/20 item 8 that the budget and precept for the financial year 2021-2022 was discussed and a Cllr. was authorised to prepare a draft budget for discussion.

It was noted in the minutes of the meeting 31/12/20 that the precept and budget figure was formally approved – 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 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.

Income Control

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

It was noted in minutes of the meeting on 11th May 20 item 7 that all 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 in the 2020 -2021 financial year there were no items of Sec.137 expenditure.

It was noted in the minutes of the meeting held on 09/03/21 that all VAT payments for the financial year 2020 – 2021 will be reclaimed soon – good practice to reclaim early in the new financial year.

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.

It was noted in the minutes of the meeting on 11/05/20 item 11 that Thurlaston Parish Council emergency plan was amended and approved

It was noted in the minutes of the meeting on 09/11/20 that Thurlaston Parish Council policies and procedures were reviewed and approved – this is good practice

Financial Regulations

It was noted that these regulations were seen online and that the regulations were formally adopted in September 2019, it is good practice for all council policies to be reviewed regularly and be available online to parishioners.

Standing Orders

It was noted these orders were seen online that the regulations were formally adopted in January 2019, it is good practice for all council policies to be reviewed regularly and available online to parishioners.

Internal Audit

It was noted in the minutes of the meeting on 13/07/20 item 8 that the Parish Council reviewed the 2019 – 2020 internal audit for effectiveness - this is good practice and the Parish Council is to be commended

Insurance

It was noted in minute of the meeting on 13/07/20 that that the Parish Council renewed its contract with Came & Company to provide insurance. The insurance levels were checked and found to be standard for the Parish Council requirements

Asset Register

The asset register was seen online and it was noted that the value of assets has been simplified and therefore much easier to understand and reflects the value of the assets as shown in Box 9 of the AGAR.

Risk Assessment

It was noted that the Risk Management policy was seen online and that it has been formally reviewed and adopted in July 2020.

The policy is a good document.

It was noted that a financial back up is made regularly onto memory sticks (one held by a Cllr.) it might be in the Council's interest to consider using a back up to the cloud.

Where risks are identified especially financial risks in the document the Council should consider adding a "trained Clerk" as a (main) mitigating factor.

It was noted that there is no risk identified to cover should the Clerk be unable to carry out her function (is the Council aware that WALC carries a list of locum Clerks, and does it know of any local clerks who could assist). The Council should consider whether to add the clerk as a "key worker" to its insurance policy to cover any extra costs incurred should the Clerk be suddenly unable to carry out her function,

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.

Contractors

It was noted in the minutes of the meeting on 11/05/20 item 7 (19) that quotes from contractors for village grass cutting were received and a contractor chosen – this is good practice.

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

Delegation of Powers

In the light of planning constraints regarding the time for comment on planning applications and given the fact the Parish Council meets bi-monthly it might be in the Parish Council's interest to consider a formal Delegation of Power to the Proper Officer in those circumstances.

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 2020/21 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 very 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 2020 - 2021 Internal Audit for Thurlaston Parish Council



Signed...Dated...18th June 2021
W.J.Robinson