

Annual Internal Audit Report 2019/20

ST. ALLEN 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.			NO PETTY CASH KEPT
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.	✓		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

13/07/2020

Name of person who carried out the internal audit

CATHERINE BENNETT

Signature of person who carried out the internal audit

C E Bennett

Date

13/07/2020

*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 Auditor Report

Internal control objective

No*

- C. Issue: No evidence available of a risk assessment to assess if complete or arrangements to manage are sufficient.
Control: There are clearly arrangements in place to monitor risks such as bank reconciliations and second person approvals of monthly payment sheets but no evidence of the risk assessment or risks identified so the review cannot monitor if meets success criteria is being met in all areas of risk.
Recommendation: Create a risk assessment detailing risks identified and detailing the adequacy of the arrangements in place to manage the risks.
- G. Issue: Error made in the payment of wages to the employee.
Control: It does appear that a second person reviews the monthly payments to the employee, however the error has occurred due to perhaps a lack of technical knowledge in this area which would be difficult in such a small council to have someone with that level of expertise just to cover this area.
Recommendation: Either outsource the payroll or use an external advisor to look into a position where there are any payroll anomalies.

**St Allen Parish Council
Income and Expenditure
2019-20**

£

Income

Precept Payments	13,772.87
Grant Income	1,293.09
Interest Income	34.23
Total	<u>15,100.19</u>

Expenditure

Capital Expenditure	6,897.00
Clerks Wages net	3,568.00
Clerks wages overpaid	70.60
Tax paid on Clerks Wages	212.00
Christmas Meal	200.00
Inspections	94.80
Insurance	622.88
IT costs	303.60
Maintenance contract	5,940.00
Rent	260.00
Subscriptions	341.34
Village Xmas Lights	152.98
Total	<u>18,663.20</u>
Profit / (Loss) or Excess of expenditure over income	<u><u>- 3,563.01</u></u>