

**INTERNAL AUDIT REPORT**

**FOR**

**COUGHTON PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2020 - 2021**

**Prepared by: Bill Robinson**

**Issued May 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 The Responsible Financial Officer of Coughton Parish Council

This report has been prepared solely for Coughton 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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## Coughton Parish Council Internal Audit

The Internal audit was undertaken on the 18<sup>th</sup> May 2021 with the Parish Clerk/RFO.

### Accurate book keeping

- Income and expenditure entries to the spreadsheet were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

For year 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021

### Current Account

Payment	Inv. no.	Amount	Payee	Minute Ref.
BACS	3	£123.00	WALC	19 /20 ii
BACS	7&8	£149.27	BHIB	28 /20 ii
BACS	14	£135.00	CTKT	29 /20 i
BACS	23	£75.25	W.Robinson	29 /20 i
BACS	26	£80.00	D.M.Payroll	43 /20 i
BACS	30	£570.00	CTKT	43 /20 i
BACS	36	£526.80	I.Snape	68 /20 i
BACS	40	£30.00	Amazon	68 /20 i
BACS	46	£66.97	S.S.Johal	11 /20 i
BACS	51	£22.90	Solo Press	11 /20 i

All shown audit trails proved satisfactory.

It was noted that all payments are now made by bank payments.

### Year End Accounts

The year end accounts for the financial year 2020-2021 were checked and found to be arithmetically correct across all accounts to the figures shown.

The Internal Audit report 2020/21 Page 4 of the AGAR was signed by this internal auditor.

### Receipts and payments

These were checked and the spreadsheet found to be correct, with all income properly banked correctly.

### **Income Control**

It was noted that all income was properly added to Coughton Parish Council account.

It was noted that bank standing orders and direct debits are used correctly, this is good practice

### **Budget Controls**

It was noted in min 68/20 ii that the transfer of the accounts to Unity Trust Bank was approved – good practice.

Noted in minute 68/20 iii that virements of funds were properly approved

It was noted in min 68/20 iv that a draft budget for discussion was received

It was noted in minute 03/20 i&ii that the budget and precept were formally approved – it is good practice to formally determine the budget.

### **Loans**

It was noted that no loans were raised by the Parish Council

### **Petty Cash**

It was noted that Coughton Parish Council does not operate a petty cash scheme, and this information will be forwarded to the External Auditor.

### **AGAR**

It was noted in minute 29/20 ii a,b,&c that the Annual Governance Statement, the Annual Accounting Statement, and the Exemption from External Audit certificate were approved and signed.

### **Agendas**

All agendas were properly made and signed

### **Minutes of the Parish Council meetings**

All minutes were checked and found to be satisfactory with no evidence of any unusual activity.

The following minutes are as yet unsigned due to Covid restrictions:

23<sup>rd</sup> November 2020

27<sup>th</sup> January 2021

15<sup>th</sup> February 2021

### **Financial Regulations**

It was noted in minute 21/20 ii that the Financial Regulations were reviewed and approved.

### **Standing Orders**

It was noted in minute 34/20 iv that the Standing Orders were reviewed and approved by the Parish Council.

### **Asset Register**

It was noted in minute 29/20 v that the Coughton Parish Council asset register was checked and approved with all values reflected in insurance

### **Internal Audit Review**

Coughton Parish Council should review each internal audit for effectiveness and record the review.

### **Insurance**

It was noted that the Parish Council insurance meets its requirements.

### **Payroll**

It was noted that the company DM Payroll has taken over the payroll for Coughton Parish Council, with all payroll taxes and NICS being properly dealt with

### **Sec.137 Payments**

It was noted the expenditure under this power was well within the statutory limits.

## **Contract of Employment**

It was noted that the Clerk/RFO has a proper contract

## **Governance**

It was noted in minute 21/20 that the following policies were agreed:-

Delegation scheme

Publication scheme

Data protection

Privacy scheme

Volunteers.

It is good practice to review all policies on a regular basis.

It was further noted in minute 18/20 that the dates for the 2021-2022 Parish Council meetings were approved – it is good practice agree meeting dates well in advance.

It was noticed in the delegation scheme note 4 that it states “the Vice Chair has been specifically identified as an individual who can be delegated to act on the Clerks behalf”. It is not possible for powers to be delegated to individual councillors if the Clerk is absent, it is possible for a councillor to stand in for the Clerk in minute taking but no functions can be delegated.

In the same document marked consultations, it is better to formally delegate power to the Clerk to respond to the Planning Authority should the Council be unable to meet.

H&S & Wellbeing the Council should be wary with using the phrase “delegated to”, as power can only be delegated to an officer (Clerk).

## **Website**

The Parish Council website was viewed and found to be easy to navigate.

## **Conclusion**

Whilst undertaking the Internal Audit, it is apparent that the Clerk is carrying out her responsibilities to the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are not criticisms as such; rather they are issues for Coughton Parish Council to consider.

It will be noted that in the Internal Audit Report 2020/21 of the AGAR Return 2019/20 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 Coughton 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

This concludes the Internal Audit.

Signed.....



Dated...20<sup>th</sup> May 2021

W.J.Robinson