

AUDIT REPORT BY THE INTERNAL AUDITOR  
WALTON PARISH COUNCIL  
PERIOD 1<sup>ST</sup> APRIL 2020 – 31<sup>ST</sup> MARCH 2021  
FINANCIAL YEAR ENDING 31 MARCH 2021

### Introduction

The Parish Council has a statutory responsibility to provide an adequate and effective Internal Audit by engaging an Internal Auditor ensuring “competency and independence from the Council”. The role of the Internal Auditor is to provide an independent review and appraisal of the Council’s system of internal control.

### Responsibilities

#### Internal Auditor

The Internal Auditor will fulfil the obligations to the council by

- undertaking a review of all internal financial and governance documents in accordance with “Governance & Accountability for Local Councils” Part 2.74
- submitting a report to be presented to Council detailing findings and recommending measures to ensure compliance with the Account & Audit Regulations as amended at the time.
- signing the assurance document in the Annual Governance and Accountability Return. (AGAR)

#### Council

The Accounts and Audit Regulations 2015, Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities requires that a Council **must** make arrangements for the exercise of public rights

- on completion of approving the sections in the AGAR publish, on notice board/s and **on a website**, the relevant documents as specified in regulations before 1<sup>st</sup> July 2021.
- having resolved eligibility to be an Exempt Authority, publish the Exemption Certificate on a website

#### Responsible Financial Officer (RFO)

To ensure the Council can fulfil its statutory obligations the RFO must.

- prepare expediently the Annual Statements of Accounts for the financial year ending 31<sup>st</sup> March.
- present the accounts and the completed Section 1 and 2 of the AGAR. All of which must bear his/her signature prior to presentation
- ensure The Annual Governance Statement is approved at a full council meeting prior to approving the Accounting Statements, at the same or subsequent meeting.
- ensure all approvals are recorded in the minutes and completed before 30<sup>th</sup> June in the financial year.
- Confirm at the appropriate times all publication requirements have been publicly displayed.

I confirm I have, on the 17th April 2021 undertaken an internal audit for the period 1<sup>st</sup> April – 2020 - 31<sup>st</sup> March 2021 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2020

The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 requires a Council, having signed the Certificate of Exception, (Meeting -2<sup>nd</sup> June 2020– Minute No. 010/20.2.4) to publish the requisite documents on a website prior to 2<sup>nd</sup> July in the relevant year.

The clerk has undertaken the requirement and the Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed dated 12th June 2020 for inspection for the period 15<sup>th</sup> June – 24<sup>th</sup> June 2020

**To comply with Government guidance and social distancing regulations during the Covid 19 pandemic the Audit was conducted by examining documents provided in a Covid secure manner by the Clerk, information displayed on the Council website. Waltonpc.co.uk and the Clerk providing additional information, for clarification, in response to queries.**

### **1. Proper Bookkeeping**

The Council operates Receipts and Payments accounts as required by the Regulations. The Quick Books accounting package records receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector.

All data is backed up to an external hard drive. Additionally records are stored on a Cloud server.

### **2. Financial Regulations, Standing Orders, Transparency Code, Appointment of Responsible Financial Officer.**

The NALC model documents were used to draft Financial Regulations and Standing Orders tailored to the requirements of the Council. The documents were received, approved and adopted at the meeting held

Standing Orders – May 9<sup>th</sup> 2019

Financial Regulations – January 2016

**RECOMMENDED that Financial Regulations be approved in the current year to ensure all current legislation is included**

**It is confirmed that Walton Parish Council is compliant with the Transparency Code having displayed on the website the required information.**

**The appointment of the Clerk is recorded in the minutes. The Council has a statutory duty to appoint a Responsible Financial Officer this should be evidenced in the minutes.**

### **3. Invoice procedure**

There is a clear audit trail from the financial records, supported by invoices and all payments are authorised and duly recorded in the minutes. A random check was made of all payments Confirmation was given that good practice exists to ensure that expenditure is monitored to ensure all are competitively purchased and the Council adheres to the principle of Best Value.

#### **4. VAT**

VAT has been identified on purchases for the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021, of £323.00 which is verified by the excel cashbook system.

#### **5. Sct 137 Payments**

It is a statutory requirement to maintain 'a separate account' of expenditure under Local Government Act 1972 section 137, by the inclusion in the cashbook of a separate accounting column, irrespective of any grant being awarded. No expenditure under this Power has been incurred.

#### **6. Risk Management**

The Risk Register was received, approved and adopted at the meeting held on 5<sup>th</sup> January 2020 and reviewed and monitored throughout the year.

#### **7. Minutes/Internal Financial Controls**

The Minutes clearly documents the activities of the Council and there is no evidence of unusual financial activity. The minutes are numbered and verified as a true record by the signature of the chairman, with date, on the final page.

#### **8. Register of Interest**

Members have duly completed the Register of Interests and fulfilled their obligation to keep it updated.

#### **9. Budget Control**

A correct budget process is in place and the budget is regularly monitored. Forecasting over-budget spending identifies variances, which are addressed by virements or transfers from cash reserves.

#### **10. Cash Balances**

It is the role of the Internal Auditor to express an opinion on the adequacy of retained cash balances. Audit guidance advises a level of three to six months expected gross expenditure.

The cash balances at the bank of £13129.05 are considered adequate to fulfil the budgeted obligations of the Council.

#### **11. Income Controls**

All income is recorded and promptly deposited at the bank. No cash income

#### **12. Petty Cash/Clerk's Expenses**

The Council does not operate a Petty Cash Account.

All spending under Clerk's Expenses is notified to and approved by Council Sums drawn are allocated to the appropriate budget head.

#### **13. Payroll Controls**

All PAYE/NIC records are up to date and submissions to HMRC are made in real time online. Payroll is operated externally and accuracy verified by the Clerk.

#### **14. Asset Control**

The Asset register records all acquisitions and disposals throughout the year (if appropriate) and was received and approved at the meeting held on 5<sup>th</sup> January 2021

#### **15. Bank Reconciliation**

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries. The signature of a member on the respective bank statement confirms verification of the information presented by the RFO.

#### **Conclusion**

I confirm that Walton Parish Council is fully compliant with all statutory obligations under the Account and Audit Regulations and the Transparency Code.

In concluding the report I acknowledge the assistance of the Clerk/RFO for his preparation and availability of all documents, and on the website, which expedited the audit process as a result of accurate and transparent records.



**Georgina D Airey**  
**Internal Auditor – 15<sup>th</sup> April 2021**