INTERNAL AUDIT REPORT 2021-2022

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Local Council Audit Services Internal Audit Report To the Members of St Dennis

Parish Council

Year Ending 31st March 2022

Final issue date: 18/06/22 Issued To: St Dennis Parish Clerk

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

An interim audit has not been undertaken and this report covers the activities of the Parish Council during the year.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable I have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' updated 2021.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. No face-to-face meetings were held with inspection of digital documents and inspection of the Parish Website used to reference findings.

GENERAL COMMENTS:

I would like to thank the Parish Clerk for her time and co-operation with this inspection.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In giving my internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

Not all matters have been assessed and future IA's will test those omitted in 2021/22.

I have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool, however, there are no audit recommendations for 2021/22 and all matters previously recommended, appear to have been reviewed.

AUDIT CO	MMENTARY:	
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Items in bold text within the body of the report represent my findings in respect of the application of		
	ext in <i>italics</i> represent suggested actions that fall short of being formal recommendation or	Requiring Action
	essarily pertain to the application of internal controls.	A A
Previous R	ecommendations	
	1 -Both Financial Regulations and Standing Orders should be reviewed in the 2021/22	
2020-21	year	complete
	2 - Financial Regulations - scheme of delegation - this should be regulary reviewed and	
	updated as required	complete
	3 - Risk Management Policy and Risk Assessment and Asset Register Review	
		complete
	4 - Review of Fidelity Guarantee Level	complete
	5 - Recommendation that budget/actual comparision figures are reported quarterly.	
		complete
	6 Paviaw of publication of documents	complete
	6 - Review of publication of documents	complete
Accountin		
	The Council utilises Scribe to record financial transactions, expenditure and income	
	appear accurately recorded and a comparison between budget and actual provided.	
	Testing showed them to be up to date and free from material errors.	
	The clerk has arranged for limited access to the accounts audit and limited checking of this	
	data has been used to formulate this IA report.	
Financial F	Regulations and Standing Orders	
	Financial Regulations have been review (15th July 2021) F22/21 and are referenced in the	
	current Standing Orders were reviewed in August 2021 - Minute ref 97/21. A	
	supplemental coronavirus amendment was adopted 7th May 2020. The Scheme of	
	delegation adopted in March 2021 was further reviewed in January 2022 219/21	
Payments		
rayments	A sample payment was tested to establish where the spending decision, procurement	
	process, certification and approval for payment were in line with Financial Regulations.	
	VAT was correctly accounted for and payment controls were applied.	
	Authority to spend:	
	It is noted that that Financial Regulations include a small scheme of delegated whereby	
	the Clerk can authorise emergency expenditure up to £1000 - it is noted that expendiure	
	in excess of £500 first requires C/CV approval. This should be regularly reviewed and	
	updated as required	
	Procurement:	
	No Comment - test appears to identify that the Council follow procurement regulations	
	and standing orders	
	Payments:	
	Payments have been reviewed and testing identified and they appear free from material	
	error and in line with the existing scheme of delegation and payment have been publised	
	in accordance with regulations.	
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1	Financial Devolutions allow for a Dath. Cook Floot of (400 (avrianced tab. 24) and for datia	
	Financial Regulations allow for a Petty Cash Float of £100 (reviewed July 21) and for debit	
	card payments up to £500 in any one transaction. It is recommended that limits are	
	reviewed annually.	
	VAT:	
	VAT has been recorded correctly and returns submitted and refund received	
Risk		
	Risk Assessment:	
	The Council approved the Risk Management Policy and incorporated Risk Register on the	
	4th October 2018. The Financial Risk Assessmnent was reviewed and agreed in June 2021 -	
	F12/21. The Asset Register to the 31st March 2021 was agreed in June 2021 - F11/21.	
	Insurance:	
	Not tested	
	Community Access :	
	Community Assets : Not Tested	
Budget		
	Setting:	
	The Council has set a budget for 2021/22 - F43/20 ratified by Council 230/20 and	
	submitted a precept request to the Billing Authority.	
	Monitoring:	
	Regular financial reporting forms part of the Council agenda. Forecasting was undertaken	
	during the year at a 3 month interval.	
Income		
	Income was received in a timely manner and recorded correctly within the accounts.	
	The use of system generated invoices could assist with income monitoring, however as the	
	majority of income is burial related and therefore not subject to VAT, the current	
	spreadsheet system of recording is sufficent.	
	Precept:	
	The precept payment received is in accord with that requested from the Billing Authority.	
	VAT:	
	VAT reclaims are up to date	
	Grants:	
	Grants have been received/paid and recorded within the Council accounts with s137	
	grants separately recorded.	
Payroll		
	2021/22 pay award and grade structure:	
	The new national pay scales have been accurately implemented and the adjustment to	
	retain the uplift on the minimum wage approved.	
	Officers:	
	INOTTESTED	
	Not tested	

	Bank Reconciliations are regularly undertaken and are reviewed and approved by Members when reported to Council.	
Electo	rs Rights	
	The Council has met its obligations under the Accounts and Audit Regulations in respect of the availability of the accounts for public inspection and for the publication of the audited accounts and auditor's report.	
Comm	ents on other matters	
	The Council has met its requirements in complying with both the General Data Protection Regulations (GDPR) with a publish Privacy Policy and also with recommended practices on Accessibility. The clerk is identified as the GDPR officer.	