# Annual Internal Audit Report 2020/21

Stoke Bliss, Kyre and Bockleton Parish Council

stokeblissgroupparishcouncil.org.uk

**During** the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 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 | 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. | | | ✓ |
| **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 bank account reconciliations were properly carried out during the year. | ✓ | | |
| **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 2019/20, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")* | ✓ | | |
| **L.** The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities. | ✓ | | |
| **M.** The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations *(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).* | ✓ | | |
| **N.** The authority has complied with the publication requirements for 2019/20 AGAR *(see AGAR Page 1 Guidance Notes).* | ✓ | | |

| **O.** **(For local councils only)** Trust funds (including charitable) – The council met its responsibilities as a trustee. | Yes | No | 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

02/04/21 DD/MM/YYYY 03/04/21 DD/MM/YYYY

Name of person who carried out the internal audit

DIANE MALLEY

Signature of person who carried out the internal audit

Diane Malley

Date

05/04/21.

*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).

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4th April 2021

Stoke Bliss Parish Council
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Stourport on Severn
Worcestershire
DY13 0AL

Dear Chairman

**Internal Audit Report**

I have now completed the internal audit for Stoke Bliss Parish Council. I have carried out tests on the systems in place and have reviewed the internal controls. I confirm I have acted independently; the basis of the internal audit is by selective assessment of compliance with relevant procedures and controls.

**A. Appropriate books of account**
Appropriate books of account have been kept during the year. The council has used a spreadsheet to record the accounts which is adequate for the number of transactions. The accounts are kept up to date and there is evidence in the minutes they are balanced regularly.

**B. Financial Regulations**
There is an audit trail of all samples of expenditure picked, payments were supported by receipts or invoices and payment schedules were reported to meetings.

VAT was appropriately accounted for, there hasn't been a VAT reclaim made as the total VAT due is less than £100. The council has three years in which to make a claim.

**C. Risk Assessments**
The council carried out a risk assessment during the year, the risk assessment covers insured activities. Consideration should be given to including other areas of risk including governance, record keeping and staffing matters.

The council's insurance cover includes public liability, employer's liability and fidelity guarantee. The parish council uses dropbox to back up the parish council files.

**D. Precept**
The precept was set after the council considered its budget requirements for the year. There is evidence of budget monitoring reports being presented to council on a regular basis.

**E. Income**
There were no unusual receipts during the year. All interest has been included in the cash book.

**F. Petty Cash**
Petty cash is not used.

**G. PAYE**
The PAYE is administered using HMRC's basic tools. The pay increase was clearly minuted and there is evidence of the RTI report held on the council records.

**H. Asset Register**
The parish council maintains an updated asset register which has been reviewed during the year.

**I. Bank reconciliations**
The bank accounts are reconciled to the cash book regularly and this is evidenced in the minutes. I have recalculated the year end bank reconciliation and agree the figures to the cash book and bank statement printout.

**J. Accounting Statements**
The parish council prepares the accounting statements on a receipts and payment basis and agree to the cashbook.

**K. Exemption**
The council met the exemption criteria for the 2019/20 review and correctly declared itself exempt from a limited assurance review.

**L. Transparency Code**
The council has published information on the website in accordance with the Transparency code for smaller authorities.

**M. Public Rights**
The council had correctly published on the website a notice providing for the period for the exercise of public rights as required by the Accounts and Audit Regulations for the 2019/20 period.

**N. Publication Requirements**
The council has complied with the publication requirements for the 2019/20 AGAR, these documents can be found on the council website,

**General**
In general, the accounting records are well kept, and I would like to thank your clerk, Carole Hirst, for her assistance in the internal audit review and enclose my invoice for your attention.

Yours sincerely

Diane Malley

Diane Malley MAAT