Annual Internal Audit Report 2019/20

Ambrosden 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.			N/A
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")*			N/A
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.	Yes	No	Not applicable
			N/A

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 29-30 JUNE 2020

Name of person who carried out the internal audit DEBORAH O'BRIEN, CILCA

Signature of person who carried out the internal audit [signature]

Date 3/7/2020

*If the response is 'no' you must include a note to 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).

Annual Internal Auditor's report 2019/20 Ambrosden Parish Council

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31st March 2020. Due to Covid-19 restrictions this internal audit has been conducted electronically utilising requested documents provided by the Clerk as well as those present on the Parish Council website at https://ambrosdenpc.org.uk/

Evidence of Budget Process

I was able to see notes of the calculations for the budget process and the setting of the precept which was approved at a full council meeting (January 2020).

Cash book/Accounts book

A random check has been made to verify that invoices have been initialled and correctly entered in the cash book. It is recommended that in addition to initialling cheque stubs, the relevant invoice should be initialled, cheque number and date of payment annotated on the invoice.

Bank reconciliations

It is recommended the working documents for monthly reconciliations of the cash book and the bank statements are included/published with the agendas. Expenditure was approved at parish council meetings but should be more specific in the way it is minuted. Income received - all should be minuted; in particular the receipt of Precept funds.

Minute book

Samples of the minute book were checked. Each page of the minutes should be initialled by the Chairman before signing the final page. Recording of the approval of minutes usually references 'the minutes of the previous meeting were agreed and signed' and should reference a specific date. In 2 instances – Dec 2019 and January 2020 there is no formal minute of the previous minutes being agreed and signed.

Annual Governance & Accountability Return 2018-19

Notice of Conclusion of Audit – there is no copy on file or on website. The completed External Auditor's report (Page 6 of the AGAR) is also not published on the website and there is no agenda'd or minuted evidence that this was presented to the Parish Council for review or action. (A question from the External Auditor was raised regarding reserves prior to conclusion of audit - minuted September 2019)

Election of Chairman & Vice-Chairman at May 2019 Annual PC meeting

This took place at the meeting but no Acceptance of Office by the Chairman & Vice-chairman was signed. This has taken place in May 2020 but should be evidenced in the minutes.

Insurance details

The parish council's insurance policy was checked and found to be in order.

VAT returns

VAT had been recorded appropriately and reclaimed.

Income tax returns

It was verified that PAYE is dealt with correctly via a payroll provider.

Record of Clerk's expenses
These are recorded and a WHA provided.

Year-end accounts, including bank reconciliation, receipts & payments
The year-end figures were checked and found to be in order. The end of year bank reconciliation with the cash book balanced.

Asset register
An up to date asset register is maintained and approved by the council.

Petty cash records, if applicable
Not applicable

Standing Orders
In place, to be reviewed annually or when updates are available

Financial Regulations
In place, to be reviewed annually or when updates are available

Other Governance Documents
These are either in place or in the process of being developed.

Approval of internal auditor
Approved at May 2020 meeting

Risk assesssment
In place and reviewed annually

Pensions Regulations
Duties under the Pension Act 2008 have been complied with

Comments:
Except for items noted/recommended above, the standard of administration and system of internal controls relating to the audit areas examined was currently considered to be of a good standard. The Clerk is updating/creating governance policies and procedures on a regular basis and is updating the website to reflect this. Recommendations have been made to further improve and conform with best practices.
Having completed a comprehensive examination of Council records made available to me, in accordance with the Accounts and Audit Regulations 2003 and 2006, the Local Audit and Accountability Act 2014 and Smaller Authorities (Transparency Requirements) (England) Regulations 2015/494 and as directed in "Governance and Accountability for Local Councils in England & Wales: A Practitioners' Guide", I have completed page 3 of the Annual Governance and Accountability Return 2019/20 positively, and can give reasonable assurance from the audit work undertaken that the Council's financial affairs are being properly conducted going forward.

Signature: Date: 03/07/2020

D O'Brien

Deborah O'Brien CiLCA