

Biddenham Parish Council Internal Audit Report 2020-2021

Internal Audit Carried out 5 May 2021 by Karen Julie Betts

I confirm I am independent and a competent person to carry out this Audit.

I have no connections, involvement in or responsibility for the financial decision making, management or control of Biddenham Parish Council.

I understand basic book-keeping and accounting processes, the role of internal audit in reviewing systems, awareness of relevant risk management issues, and an understanding of proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities. I am a Parish Council Clerk with fifteen years' experience.

As requested, I carried out an Internal Audit on the Parish Council's financial and administrative procedures on the 5 May 2021 when I examined the Council's financial records and Council Minutes for the financial year 2020/2021 following the procedures set out in the JPAG publication Governance and Accountability for Smaller Authorities in England, March 2021.

My comments are as follows and are set out in accordance with the criteria laid down in the Annual Return, in summary:

A.	Appropriate accounting records have been kept properly throughout the year	Yes
B.	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	Yes
C.	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes
D.	The precept or rates required resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for	Yes
F.	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for	N/A no petty cash held
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.	Yes
H.	Asset and investment registers were complete, accurate and properly maintained.	Yes
I.	Periodic bank account reconciliations were properly carried out.	Yes

J.	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors & creditors were properly recorded.	Yes
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.	Not Covered
L.	If the authority has an annual turnover not exceeding £25,000, it 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.	Not Covered
M.	The authority during the previous year (2019-2020) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations	Yes
N.	The authority has complied with the publication requirements for 2019/2020 AGAR	Yes
O.	Trust funds (including charitable). The council met its responsibilities as a Trustee.	N/A

Summary

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.

The purpose of the internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

Concerns:

1. Website needs updating with policies and documentation as recommended in the Transparency Code.
2. No VAT has been reclaimed. I note the previous Internal Auditor had commented that VAT had not been reclaimed in the year 2019-2020 either. It is important to carry out regular VAT Returns in accordance with HMRC requirements. The Parish Council is failing to reclaim income for the Parish.

I note that David Brough has been employed as Clerk. David is a competent, experienced clerk who will address the concerns above as well as updating required policies that I would expect to see as per the Accounts and Audit Regulations 2015.

Julie Betts, Internal Auditor
5 May 2021