

Annual Internal Audit Report 2021/22

CHILD OKEFORD PARISH COUNCIL

<https://chilokeford.org/parish-council/> AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2022, 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 2021/22 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.	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 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 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>	✓		
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .		✓	
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

10/05/2022 DD/MM/YYYY DD/MM/YYYY

Name of person who carried out the internal audit

Mrs R Darkin-Miller LLB (Hons) BFP FCA

Signature of person who carried out the internal audit

 SIGNATURE REQUIRED

Date

20/05/2022

*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).

Test L – Transparency

In the 2021/22 financial year, the Council was just over £25k threshold for expenditure. As such, the Transparency requirement is for the Council to comply with the Freedom of Information Act. I have not assessed compliance with the FOI Act and have, therefore, responded 'not covered'.

Test M - Public rights

I checked to see that the authority complied with the publication requirements for the AGAR 2020/21. As a smaller Council, this meant the following needed to be published at least one day before the start of its public rights period of 01/07/21:

- Certificate of Exemption 2020/21, page 3 AGAR
- Annual Internal Audit Report 2020/21 page 4 AGAR
- Section 1 – Annual Governance Statement 2020/21, page 5 AGAR
- Section 2 – Accounting Statements 2020/21, page 6 AGAR
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

The Council has no website audit trail, but the date on which the documents were uploaded was noted on the file names. I found that:

1. The notice of public rights was uploaded before 01/07/21
2. The certificate of exemption, ss1-2 of the AGAR, the AIAR and the bank reconciliation were uploaded on 06/07/21, which is after the publication deadline.
3. The bank reconciliation as shown is not the pro-forma bank reconciliation as recommend by PKF (the external auditors), but a copy of the full year's cashbook with a note of the year-end bank balance (there were no reconciling items).
4. The analysis of variances was not uploaded.

As evidence indicates that the Council did not comply, I have assessed the test as 'fail'.

