

INTERNAL AUDIT REPORT

TO

**MAPPLEBOROUGH GREEN
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2021 - 2022

Prepared by: Bill Robinson

Issued May 2022

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Mappleborough Green Parish Council

This report has been prepared solely for Mappleborough Green Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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Mappleborough Green Parish Council Internal Audit for the Financial Year 2021 - 2022

This Internal audit was undertaken With the Clerk/ RFO of Mappleborough Green Parish Council on 4th May 2022.

Accurate book keeping

- Entries to the cashbook spreadsheet were checked and found to be up to date and correct.
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

Payments

For year 1st April 2021 to 31st March 2022

Payment method	Approved	Payee	Amount
BACS	June 2021	WALC	£286.00
BACS	June 2021	Minuteman Press	£115.00
BACS	June 2021	APS	£273.00
BACS	June 2021	D.J.Bennett	£118.00
BACS	June 2021	MSC	£1200.00
BACS	September 2021	D.J.Bennett	£168.00
BACS	September 2021	W.Robinson	£184.80
BACS	September 2021	Zoom	£14.39
BACS	September 2021	NEST	£74.14
BACS	September 2021	Amazon	£44.99
BACS	September 2021	D.J.Bennett	£118.00
BACS	January 2022	Ink Trader	£44.50
BACS	January 2022	WALC	£30.00
BACS	January 2022	Amazon	£32.29
BACS	January 2022	D.J.Bennett	£115.00
BACS	January 2022	Royal Mail	£12.37
BACS	March 2022	Arden Marches	£20.00
BACS	March 2022	WALC	£45.00

All payment audit trails were found to be satisfactory with the payments matching the invoices.

Receipts.

It was noted that all receipts were properly accounted for.

Receipts and Payments spreadsheet

The receipts and payments spreadsheet was checked and found to be accurate, it would however make the process easier to understand if a date the transaction was made was added to the spreadsheet

Year end Accounts

The year end accounts for the financial year 2021 -2022 were checked and were found to be arithmetically correct and in agreement with the financial records shown by the Clerk./RFO. These accounts were properly reconciled to the bank statements.

The annual return for the financial year 2021 – 2022 was completed by the Clerk and Internal Audit Report of the AGAR 2021/22 to be sent to the External Auditor was signed by the internal auditor.

Budget Controls

It was noted that bi-monthly bank reconciliations are issued by the Clerk/RFO at each meeting to show a list of payments, and that bank reconciliation statements are produced on a bi monthly basis – this is good practice.

It was noted in minute page 733 item 11 that the precept and budget for the financial year 2021 – 2022 was formally approved – good practice.

The Internal Audit Report 2021-22 page 4 of AGAR has been signed by this internal auditor with item F marked as Not Covered, this is not a reflection on the Council's ability to manage its finances, it is a requirement where there is no petty cash held by the Parish Council.

Income Control

It was noted that receipts were banked promptly, and the receipts and payments spreadsheet satisfactorily checked against the bank statements

It was noted that the VAT repayments for the financial year 2021 – 2022 were be properly made.

Asset Register

It was noted that the asset register matched the figure in Box 9 of the 2021 – 2022 AGAR

Parish Council Agendas

It was noted that all agendas were properly signed and dated.

When Parish Councils meet on a bi monthly basis it would be in the Council's interest to add all payments previously made (before the meeting) and those to be made at the meeting, to be included in the agenda (or as a formal appendix to the agenda) so that Councillors, the public, and press in attendance are aware of all payments from Parish Council funds.

Minutes of the Parish Council meetings

All bi monthly minutes checked, and found to be satisfactory, with no unusual activity.

It was noted that there were no meeting October to December 2021.

Financial Regulations

It was noted that these regulations were seen online and are dated as approved 2019, the Council should be aware that they need to be reviewed on a regular basis. It would be in the Council's interest to formally record how often they will be reviewed so that a calendar can be set out.

Standing Orders

It was noted that these orders were seen online and are dated as approved 2018, the Council should be aware that they need to be reviewed on a regular basis. It would be in the Council's interest to formally record how often they will be reviewed so that a calendar can be set out.

Other Policies

It was noted that the Complaints procedure seen online were also undated, it would be in the Parish Council's interest to formally review and date the policies

Public Rights of Inspection

It was declared that these have been placed in Mappleborough Green notice boards, it would be in the Council's interest to add them to the website.

Insurance

It was noted in minute page 704 that a 5 year agreement has been made that will continue with Zurich as its insurer.

It might be in the Council's interest to consider adding a "key worker" clause to its insurance to cover any additional costs of another Clerk should the current Clerk be unable to carry out her functions.

Risk assessment

It was noted that this is a good document and covers the major risks to the Parish Council finance and governance.

It was noted that the document is dated 2020/2021 the Parish Council should review this on an annual basis

Asset Register

The asset register was seen and it was noted that the asset register list matches Box 9 of the AGAR

Petty cash

As Mappleborough Green Parish Council does not operate a petty cash scheme this will be recorded as Not Covered on Item F of the Internal Audit Report 2020/2021 AGAR page 4.

It would be in the Parish Council's interest to treat the Parish credit card as petty cash in recording terms (keep an additional separate record of purchases).

Payroll

It was noted that the Parish Council has been registered as an employer with HMRC and the Clerk identifies all PAYE and NICS to HMRC using the basic PAYE tools software and a summary of payments was seen.

Sec 137 payments

It was noted that there were no payments under Sec.137.

The Clerk and Council should be aware at all times of the need to have a defined power to spend money.

General Power of Competence

It was noted that the Clerk/RFO has undertaken the ILCA qualification, and is now progressing to the CILCA qualification. The Clerk/RFO is to be congratulated on her efforts, and the Parish Council should now look to progressing towards the general Power of Competence.

Internal Audit and Review

The internal auditor could not find that the last internal audit report was reviewed for effectiveness by the Parish Council.

It was noted in minute page 705 that an internal auditor for the financial year 2021-2022 was approved – this is good practice.

Delegated Powers to the Clerk

It was noted in minute page 705 item 11 that the Clerk/RFO's delegated powers continuance (finances, planning, invoices) was approved – it is good practice to formally review all delegated powers on a regular basis.

Website

The Parish Council website was seen and it was found to be easy to access and meets all the statutory requirements

Conclusion


Whilst undertaking the Internal Audit, it became apparent that the Clerk/RFO is carrying out her responsibilities in a manner consistent with the standard required by Local Government Finance Regulations.

It was also apparent that the Clerk/RFO has understood the requirements of the role and is performing her duties well.

Where I have commented on future actions, these are only for Mappleborough Green Parish Council to consider, and implement only if the Council feels that they will improve the Council's procedures.

It will be noted that in Section 4 of the Annual Return the internal auditor has marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Mappleborough Green Parish Council it means that the Parish Council carries no petty cash.

This concludes the Internal Audit.

Signed.....  Dated... 16th May 2022