

SKIDBY PARISH COUNCIL

INTERNAL AUDIT REPORT FOR YEAR ENDED 31ST MARCH 2021

	TEST		RESULT
A	Appropriate books of account have been properly kept throughout the year		All receipts and payments were found to be accurately recorded and a balanced set of books provided to audit.
B	The Council's Financial Regulations have been met, payments were supported by invoices, expenditure was approved and VAT was properly accounted for.		<p>All payments were authorised by the council and cheque counterfoils endorsed by signatories.</p> <p>An effective control mechanism is in place where;</p> <ul style="list-style-type: none"> a. Responsibility for checking of invoices lies with the clerk. b. Expenditure account analysis was clear. c. Payment were authorised by council and payment cheques signed/paid invoices endorsed by two authorised council members. d. VAT was properly accounted for.
C	The council assessed the significant risks to achieving its objectives and reviewed the adequacy of these.	<ul style="list-style-type: none"> a b 	<p>The council is expected to have taken steps to identify and mitigate risks associated with users of the Council's services, members of the public or employees.</p> <p>The risk assessment submitted to audit has been subject to review and acceptance by council during the year under review and appears satisfactory.</p> <p>Evaluation of Insurance cover confirmed that the council has adequate cover for statutory risks and Fidelity Guarantee.</p>
D	The Annual Precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate.		<p>A detailed budget/recommendation prepared by the clerk was submitted to Finance Committee for review and determination.</p> <p>The Finance Committee recommendation was subsequently submitted to council for acceptance and approval.</p>

		<p>Review of council minutes confirmed that regular budget monitoring information was provided during the year</p> <p>Reserves held at 31st March 2021 totalling £49,212 equate to about 234% of the annual precept.</p> <p>The level of reserves appears adequate having regard to the size and activity of the council.</p>
E	Expected Income was fully received, based on correct prices, properly recorded and banked; and VAT was appropriately account for.	<p>Detail checks have been completed in respect of all income to the council.</p> <p>Checks carried out on the banking process demonstrated that all receipts were banked without undue delay.</p> <p>No output tax arose in the year under review, but input tax has been recorded and recovered.</p> <p>Cemetery income was correctly recorded and the burial records satisfactorily updated.</p>
F	Petty Cash payments were properly supported by receipts, expenditure was approved and VAT accounted for.	<p>The petty cash imprest has been banked and minor expenses during the year were met by the clerk and reimbursed by the council.</p> <p>VAT was properly identified and recorded</p>
G	Salaries to employees and allowances were paid in accordance with council approvals, and PAYE and NI requirements properly applied.	<p>Test checks over several months verified the accuracy of wages paid and confirmed payments in respect of statutory deductions.</p> <p>The checks carried out demonstrate that the level of salary paid was that determined and authorised by the council.</p>
H	Asset and investment registers were complete and accurate and properly carried out.	<p>The Asset Register, maintained by the clerk, appears complete and has been subject to review and acceptance by council for the year under review.</p> <p>The total value has been agreed to the Annual Return</p>
I	Periodic and year-end bank account reconciliations were properly carried out.	<p>Review established that bank reconciliation was regularly completed and balanced to bank statements. An independent year-end reconciliation accompanies this report.</p>

J	Year-end accounts were prepared on the correct accounting basis (receipts & payments/income & expenditure, agreed with the cashbook, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.		<p>The accounts are prepared on a Receipts and Payments basis. An adequate audit trail exists and entries in the accounts have been proved to the underlying records, agreed to cashbook and bank statements.</p> <p>The recording of Debtors and Creditors is not appropriate to this form of accounting.</p>
K	The council has met its responsibilities as a trustee		Not applicable - No such trust funds are the responsibility of the council.
L	Annual Return		An examination of the submission document revealed that the figures entered therein accurately summarised the financial activity of the council for the year under review.
M	Council Minutes	Matters Arising	<p>The general review of council minutes was satisfactory.</p> <p>The minutes of the 7th April were not signed.</p>
N	Audit Independence		The internal auditor has no relationship, financial or otherwise with any member or officer of the council and the audit has been carried out with integrity, objectivity and independence.
O	Summary		<p>It is evident that following the appointment of a new clerk the financial administration of the council has shown marked improvement.</p> <p>The accounts of the council are well maintained and I am satisfied that the accounts as submitted are free of material error. No other matters arose from the audit that need be drawn to the attention of the council at this time.</p>

A Johnson CPFA
Internal Auditor
22nd April, 2021