

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Wymeswold Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	14 <sup>th</sup> June 2022
Year ending:	31 March 2022	Date audit carried out:	16 <sup>th</sup> May & 14 <sup>th</sup> June 2022

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.*

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

### To the Chairperson of the Council and Councillors:

This Internal Audit report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during a zoom audit meeting with your Parish Clerk Clare Higgins and yourself on the 14<sup>th</sup> June 2022. It was noted the new Clerk had been appointed in May 2022 following the sudden resignation of the previous Clerk

The following topics were reviewed against our standard checklist format:

#### Accounting records:

- All details were recorded in the financial ledger using Excel spreadsheets and all appeared to be in order.
- Payments in the ledger were generally covered by invoices and minuted and authorised at the relevant PC meetings against a listed monthly payment schedule.  
***It was noted that the payment schedule is including in some meetings and not in others, I recommend for the purposes of transparency that the payment list be issued with the meeting minutes.***
- Bank balance details were not regularly presented to council albeit they are reconciled regularly against statements / online.  
***I would recommend that the bank account balances are included on the agenda on a regular basis.***
- Evidence seen that VAT was claimed during the year.

#### Due Process:

- Standing Orders & Financial Regulations had been reviewed May 2021 and on website.
- There were procedures in place for tendering where appropriate and purchase orders were issued when relevant.
- There was evidence of internal control, and all payments were generally covered by an appropriate invoice and authorised and minuted.
- The Council operates electronic banking with the Clerk loading all approved payments and two councillors then approving the bank transfer.

#### Risk Management:

- Scanning the minutes there didn't appear to be any unusual activity.
- Insurance through Came & Co is reviewed annually (June) and appears to cover Public, Employee and Assets appropriately
- There was evidence of an updated document (2021/22) but no actual evidence of a review taking place or minutes of a Risk Assessment in 2021/2022, albeit a review has taken place in May 2022.  
**Due to no risk review during the year item C on Form 3 of the AGAR will be indicated as "No".**
- The Chair confirmed there was a regular assessment undertaken of play equipment etc, however this is not minuted.  
**As per previous Internal Audit I would recommend this is minuted at each PC meeting under risk assessment.**  
**I would also recommend that as the Parish Council pay the insurance for the Sports Pavilion a regular risk assessment is also recorded.**

#### Budget / Income:

- The annual Budget and Precept were discussed in December 2021 and approved January 2022 and displayed accordingly.
- It was noted there were several earmarked / projects listed, in particular £3,500 for Church wall and reserves were appropriate.
- Precept demand in accounts matched submission request to Charnwood BC.
- Income from Sports Pavilion was recorded but was a minimal amount as this was generally a donation basis.
- Income was received as expected.

#### Petty Cash

- No petty cash is held.

#### Salaries / Employees:

- The (previous) Clerk had a contract of employment and there was evidence of Salary, Tax etc in the accounts & approval at each meeting.
- Salary calculations are contracted out and then approved at each meeting.
- Chair confirmed salary is reviewed annually.
- The Parish Council is registered with the Pensions Regulator.

#### Asset Control:

- There was evidence of a reviewed & updated itemised / costed register of assets on the website, **note this requires updating and a new copy added to website.**
- It was noted that the Sports Pavilion & Washdyke were leased to the Council on a renewed 30-year lease, paid annually and reviewed every lustrum (5 years).

#### Accounting Statements:

- The Council has effectively three accounts:
  - Savings account reconciled quarterly.
  - General account reconciled monthly.
  - Project account reconciled quarterly.**As per my last Internal Audit, the Project account has very little if any usage the Council may wish to consider if it is necessary to continue with this account.**
- Accounts are reported to Council regularly but not always minuted.  
**As per my previous Internal Audit I recommend that an accounts update is presented to Council at least quarterly and minuted accordingly.**
- There were no unexplained concerns noted.
- Debtors & creditors recorded where necessary and there was evidence of a financial trail through records.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at June 2022 Parish Council meeting.
- This year's sections 1 & 2 of the Annual Return had been drafted ready for signing at the same meeting as above.

#### Transparency:

- The following were displayed / published as required.
  - End of year accounts / Accounting Statement.
  - Annual Governance Statement.
  - External Audit reports.
  - Asset Register.
- There is an updated list of specific Councillor Responsibilities, **as per my previous Internal Audit this should be on the website.**
- **I recommend the Internal Audit is also displayed.**
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- The Parish Council website is regularly updated and simple to navigate.

#### Exercise of Public Rights:

- “The Notice of Public Rights” was not minuted or issued appropriately on the website as required.  
**This is a breach of the Accounts & Audit regulations and therefore item M on Form 3 of the AGAR will be indicated as “No”.**

#### Trust Funds:

- There are no Trust funds.

#### Miscellaneous:

- There was evidence that the previous internal & external audit reports had been reviewed.
- Clerk confirmed electronic files are backed regularly.
- **As per my previous Internal Audit I recommend an Equal Opportunities & Diversity Policy & Complaints Procedures to be written up and placed on website.**
- Members interests were noted on the Charnwood BC website.
- Minutes were initialled by page and signed by the chair at each meeting.
- Chair confirmed there was one sub-committees, Biodiversity etc. and committee terms of reference were in place.

#### Cemeteries:

- There was no evidence of a formal Cemetery Regulation document.  
**I would recommend this is reviewed and a document composed and approved at the earliest opportunity.**
- A register of burials and purchased graves / plots was available to view, noted a very old document.
- Burial certificates were issued by the council however, green slips were generally managed by the undertaker.
- **A price list needs to be reviewed annually and displayed on the website.**
- A new Cemetery burial plan was currently being mapped out to give a much more up to date and accurate master list.
- Business rates exemption correctly applied for.
- Income from the cemetery was recorded as required in the ledger, (£125).

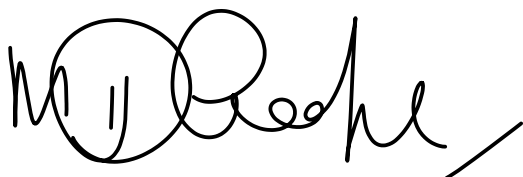
#### Annual returns:

- The annual return section 2 details (Year Ending 31<sup>st</sup> March 2022) are set out at the end of this document.  
**I would recommend a variance report is written to explain in brief why some of the figures have significantly increased from the previous year.**

**Finally, I would draw attention particularly to where I have made recommendations on previous Internal Audits which have not been reviewed or actioned. I would strongly suggest that when the IA is reviewed the minutes reflect what specific action will be taken (or not) against my recommendations. Failure to record this appropriately could result in a negative comment on the Audit report and possibly the AGAR.**

I would like to conclude by thanking your Clerk Clare and yourself for the support and openness during our meeting and for the assistance with forwarding all requested information prior to the audit.

Yours sincerely,



Martin Cooke  
(Internal Auditor to the Council)  
Mob: 07809 466500  
Email: [martindcooke23@gmail.com](mailto:martindcooke23@gmail.com)

The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2021</b>	<b>Year ending 31 March 2022</b>
1. Balances brought forward	£6,955	£8,687
2. Annual precept	£37,514	£38,827
3. Total other receipts	£34,561	£44,585
4. Staff costs	£8,145	£12,106
5. Loan interest/capital repayments	0	0
6. Total other payments	£31,093	£70,079
7. Balances carried forward	£8,687	£9,914
8. Total cash and investments	£8,687	£9,914
9. Total fixed assets and long-term assets	£195,238	£233,381
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *JPAG Practitioners Guide 2021*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from: <https://www.leicestershireandrutlandalc.gov.uk/uploads/practitioners-guide-2021-1.pdf>