

Internal Audit Report for Little Hoole Parish Council – Year Ended March 2021

Opening Statements

The audit has been carried out to cover the internal control objectives as stated on Page 4 of the Annual Governance and Accountability Return 2020/21 Part 2.

The audit concentrated on the adequacy of internal controls but did not exclude conducting detailed checks of the books of account and this included the following:

1. Annual Precept
2. Bank Reconciliations
3. Expenditure documentation (invoices) with a 100% check being undertaken
4. Income analysis and supporting documentation
5. Budget documentation
6. Fixed Asset Schedules

The opinion formed during the internal audit is based on the documents provided and consultations with Mr David Swift, Clerk to the Council.

Causes for Concern

The following should be addressed urgently:

1. The Council was unable to show that they have in place a Risk Management Strategy and/or a Risk Register. As a consequence, they are unable to demonstrate that they have met Internal Control Objective C on Page 4 of the Annual Governance and Accountability Return 2020/21 Part 2.

Points to Note

The following points should be noted:

1. Cheque Number 000849 was issued in the amount of £270 whereas the invoice amount was £222.60 and this was the approved payment at the Parish Council meeting held on the 9th November 2020.
2. Five payments, details of which are held by the Clerk, do not appear to have been approved at a Parish Council meeting, either at the time of payment or retrospectively.
3. The internal auditor recommends the following:
 - a. Completion of monthly bank reconciliations to be reviewed and signed-off at council meetings.
 - b. Completion of quarterly budget reviews to be reviewed and signed-off at council meetings.
 - c. Adoption of Standing Orders and Financial Regulations that are specific to the council (example documents provided to the clerk).
 - d. Agreement of a specific Terms of Reference for the internal audit (example document provided to the Clerk).

Summary

The books of account and supporting documentation are maintained to a high standard and provide an excellent audit trail through to the final accounts and associated schedules including:

1. Income and Expenditure Account
2. Cash Flow Budget
3. Monitor of actual performance to budgeted precept
4. Asset Register