

Annual Internal Audit Report 2021/22

Cantley, Limpenhoe and Southwood Parish Council

www.cantleyparishcouncil.org.uk

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.			✓ NO PETTY CASH
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. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")	✓		
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 (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

08/06/2021 14/06/2022

Name of person who carried out the internal audit

ANNE ELIZABETH BARNES

Signature of person who carried out the internal audit

Anne E. Barnes

Date

14/06/2022

*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).

Mrs Anne E. Barnes FSLCC
Internal Auditor
79 Caistor Lane
Caistor St Edmund
Norwich
NR14 8RB



June 14, 2022

Mrs M. Eversfield
Clerk to Cantley Parish Council
19 Willow Close
Brundall
Norwich NR13 5PZ

Dear Chairman and Councillors,

Internal Audit Report to Cantley Parish Council for Year Ended 31 March 2022

For the Attention of the Council

A. Appropriate accounting records have been kept properly throughout the year.

I have inspected the Council's records to 31st March 2022. I have examined your cashbook and found it to be well maintained and up to date, correct and regularly balanced. I have also examined your invoices and bank statements and compared these to your Receipts and Payments account and your accounts in the Minute Book. I note that all payments by Lloyds Bank are correctly set up and authorised.

I have recorded that the account opened with MONESE has been closed and the balance of £395.05 paid back into the Lloyds Bank account.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

I have examined your invoices as presented to me and note that they have been approved by the Council and VAT was properly accounted for and reclaimed at regular intervals.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Review of the Effectiveness of Internal Audit

I note that the Council has reviewed its internal audit procedures in February 2021 and that all the procedures put in place have been applied.

Standing Orders and Financial Regulations adopted and applied

I note that your Standing Orders were reviewed in July 2020 and Financial Regulations were reviewed in October 2021.

The Model Standing Orders 2018 have been amended to reflect the new Public Contract amounts. I recommend that at your next review these changes are included. The amounts for Public Supply and Public Service Contracts should now be £189,330. The amounts for Public Works Contracts should read £4,733,252. NALC will be issuing revised model standing orders soon.

Risk Management Arrangements

I note that your Financial Risk Assessment was reviewed February 2021.

Insurance

I have reviewed the Council's insurance with AXA to ensure the insurance cover is adequate. The cover is from 4 January 2022 to 3 January 2023.

D. The Precept or Rates requirement resulted from an adequate budgetary process; progress against the Budget was regularly monitored; and reserves were appropriate.

I have had sight of the Budget for 2021/22 and Budget 2022/23 and confirm that the Precept was agreed through an adequate budgetary process. The budget was reviewed against actual, and reserves have been reviewed and increased and are appropriate. The Precept of £10,750 is recorded in the January 2022 Minutes.

Section 137

Section 137 Expenditure has been separately recorded in the cashbook and at £200.00 is within your statutory limits.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Income Controls

I note that all income is recorded and banked properly, and the Precept agrees with the Parish Council's notification to the Council Tax authority. The Parish Council has very few cash transactions and adequate controls are in place to minimise any loss.

VAT Payments Controls

I confirm that all VAT expenditure has been recorded separately and reclaimed at regular intervals as noted above.

- F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved. and VAT appropriately accounted for.**

Petty Cash Procedures

I note that the Parish Council does not operate a petty cash system.

- 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.**

Payroll Controls

I have examined the PAYE records for the Clerks Salary and her expenses records. The Clerks salary and expenses have been approved by the Council and PAYE and NIC and have been properly operated on behalf of the Council as an employer.

Contract of Employment and the Job Description have been examined and are appropriate for the job. The Clerk has been paid in accordance with the salary scales in her contract and any salary increase was approved by the Council and noted in the Minutes of the February 2022 Meeting.

- H. Asset and investments registers were complete and accurate and properly maintained.**

Asset Controls

I have examined the Council's Asset Register and note that the assets have been reviewed and recorded by the Council.

The External Audit now require the purchase values to be recorded rather than the insurance values. I have therefore advised the Clerk to restate 20/21 AGAR form and amend the 21/22 AGAR.

- I. Periodic and year-end bank account reconciliations were properly carried out.**

Bank Reconciliation

I have examined the Bank Statements and the Receipts and Payments Book and confirm that there is a Bank Reconciliation for the Lloyds accounts. The reconciliation is carried out monthly and explanations entered for any un-reconciled amounts or outstanding cheques. The total value of the investments is summarised on the reconciliation.

I note that the MONESE account has been closed and the money transferred into the current account.

- J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**

Year-End Procedures

I can confirm that the year-end accounts are prepared on a Receipts and Payments basis and that the accounts agree with the cashbook with an appropriate and adequate audit trail.

I note that the Council has completed the Annual Governance and Accountability Return 2021/2022 Form 2 where the higher of gross income or gross expenditure was £25,000 or less and that the Council has certified themselves as exempt from a limited assurance review.

- 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. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")**

The Parish Council certified itself as exempt from a limited assurance review in 2020/21, met the exemption criteria and correctly declared itself exempt.

- 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.**

I have examined your website, www.cantleyparishcouncil.org.uk and found that it has met the requirements of the Transparency Code and all relevant documents are published on the website at the date of this audit.

- M. The authority, during the previous year (2020-21) correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).**

I have examined your website and noted the Exercise of Public Rights statement.

- N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).**

I can confirm that the Council has complied with the publication requirements for 2020/21.

- O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

The Parish Council has a Trust and receives regular reports.

Matters for the Council's Attention

I have two matters for the attention of the Council.

- **The Model Standing Orders 2018 have been amended to reflect the new Public Contract amounts. I recommend that at your next review these changes are included. The amounts for Public Supply and Public Service Contracts should now be £189,330. The amounts for Public Works Contracts should read £4,733,252. NALC will be issuing revised model standing orders soon.**
- **The External Audit now require the purchase values to be recorded rather than the insurance values. I have therefore advised the Clerk to restate 20/21 AGAR form and amend the 21/22 AGAR form.**

I would like to thank your Clerk for her presentation of the accounts and for her help and co-operation in preparing for the Internal Audit.

Yours sincerely,

Ane E. Barnes

Mrs A.E. Barnes FSLCC