Weston Longville Parish Council

Internal Audit Report
Financial Year 2020/21

Prepared by Sonya Blythe,
18 April 2021

I have completed an internal audit of the accounts for Weston Longville Council for the year ending 2020/21.

My findings are detailed below using the tests provided in the Governance and Accountability (England) 2020.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes – separate balances available for general spend, CIL, and earmarked funds.
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes – available on website
	Date Standing Orders last reviewed	May 2020
	Date Financial Regulations last reviewed	May 2019
	Has a Responsible finance officer been appointed with specific duties?	Yes – Parish Clerk
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	All in cashbook and minuted. Invoices not initialed by signatories as per internal Controls, due to pandemic.
	Has VAT on payments been identified, recorded and reclaimed?	Yes – last reclaim January 2021
	Is s137 expenditure separately recorded and within statutory limits?	Yes – on budget monitoring cashbook
	Have S137 payments been approved and included in the minutes as such?	Approved in cashbook as S137. Grounds maintenance recorded in minutes as s137, but not wreath.
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes – February 2021
	Is insurance cover appropriate and adequate?	Yes – copy provided

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – minutes November 20
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes – updated accounts taken to each meeting
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	Yes – Internal controls in place
Payroll controls	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – payslips provided
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes- March 2021
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes

Internal control	Test	Observations
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes – May 2020 minutes
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes

Internal control	Test	Observations
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Allotments being added under 20/21 transparency code information.
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Income banked, records held by Chair.
	Have fees for the allotments been reviewed and agreed by Council?	Minutes show the tenancy agreement has been reviewed and updated, but not fees.

Summary of my recommendations:

Thank you to Helen for providing all documentation required to carry out the annual audit. The accounts, cash book and reconciliation balance and I have no hesitation in signing the internal audit page of the Annual Governance and Accountability Return.

The only recommendation I have concerns the allotments. Now that WLPC have been successful in installing water to the allotments, it may be time to review the annual fees, as this hasn't been done for some years. A record of each tenant and the rent they have paid should also be provided to the Clerk with the cash for banking.

Kind regards

Sonya Blythe
SB Auditing