

INTERNAL AUDIT REPORT – 2019/20

Cheddington Parish Council

1. Background

1.1. Local Councils, Internal Drainage Boards and other Smaller Authorities in England (includes Parish Councils) are expected to complete an annual return summarising their activities at the completion of each financial year.

1.2. One of the sections within the Annual Governance and Accountability Return Part 3 is to be completed by the Council's independent internal auditor, who is to give an opinion of the Council's internal controls.

2. Objectives of the Audit

2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Work and the areas of Audit Work examined.

3.1 The Scope of Work covers the key control tests identified in the Annual Return.

3.2. To complete the audit the following areas of activity have been reviewed, examined and sample tested by Internal Audit:

☐ Suppliers/Creditors

Payroll

☐ Debtors/Income and Banking including bank reconciliations.

☐ Invoicing to and/or receipting of payments to/from users of parish facilities

Asset Register

Risk management

3.3. The audit findings of this report have been discussed with the Clerk of the Council and audit recommendations, if any, have been agreed with her.

4. Results

4.1. The Internal Auditor examined the payroll amounts for the financial year 2019/20 and all payments had been made correctly including HMRC and pensions.

4.2. Creditors (Suppliers)

4.2.1 All expenditure was found to be correctly recorded and accounted for.

4.2.2 Expenses, if any, paid to Councillors were legitimate and approved correctly.

4.2.3. All donations paid had been agreed by the Council prior to payment being made and properly recorded in the Receipts & Payments records.

4.3. The Risk Management is managed adequately.

4.4. Debtors, Income collection and Banking

4.4.1 In 2019/20 all income due including allotment rents, was received, and promptly banked.

4.5. Accounting Records

4.5.1. All receipts and payments are recorded using the Rialto Alpha system and the Clerk carries out bank reconciliations when the bank statements are received.

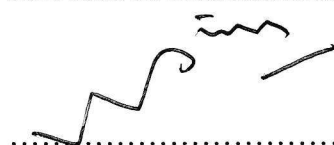
4.6. Assets

4.6.1. Additions to the Assets during the year had been recorded correctly in the Asset Inventory.

5. Conclusions/Recommendations

5.1. The Internal Controls within the Parish Council and the resulting level of assurance given to the Members is good.

5.2 I have no recommendations to make to the council



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R J King FFA FIPA

Internal Auditor

3rd May 2020

Annual Internal Audit Report 2019/20

CHEDDINGTON PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 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	Agreed? Please choose one of the following		
	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.	✓		
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 and year-end bank account reconciliations were properly carried out.	✓		
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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.			✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Name of person who carried out the internal audit

01/05/20 03/05/20

ROGER JOHN KING

Signature of person who carried out the internal audit



Date

03/05/20

*If the response is 'no' you must include a note to 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).

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

CHEDDINGTON PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and examination or audit.	Yes	No	N/A
			✓

*Please provide explanation of how authority will address

Done & minute book

A separate sheet for each 'No' response and describe how the sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

Signed by the Chairman and Clerk of the meeting where approval was given:

and recorded as minute reference:

48/206

Chairman

Clerk

Chris & Me sign

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

www.cheddington.org.uk

Section 2 – Accounting Statements 2019/20 for

CHEDDINGTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	70434	87276	<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i> <i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	76330	82000	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	11952	8712	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	12940	12741	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	58500	73845	<i>Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	87276	91402	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	87276	91402	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	334627	334627	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

48/20C

Signed by Chairman of the meeting where the Accounting Statements were approved

AS P4 - Date 8
Chris Smith