

# Annual Internal Audit Report 2020/21

EVERDON PARISH COUNCIL

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During the financial year ended 31 March 2021, 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 2020/21 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.			✓
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 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")	✓		
L. The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.	✓		
M. The authority, during the previous year (2019-20) 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 2019/20 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

Name of person who carried out the internal audit

DD/MM/YY 14/04/2021

EN GILLMEWELLS AUDITOR

Signature of person who carried out the internal audit

Date

21/04/2021

\*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).



## Internal Audit Report

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

Name of council:	Everdon Parish Council		
Name of Internal Auditor:	Gill Wells	Date of report:	21 <sup>st</sup> April 2021
Year ending:	31 March 2021	Date audit carried out:	14 <sup>th</sup> April 2021

*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 Chairman of the Council:

As part of the annual internal audit process I carried out a full examination of Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control and performed a detailed scan of the minutes' and decisions' of the Council from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. I also carried out a review of the Council's website and compliance with the Transparency Code.

Due to the Covid 19 restrictions I was unable to meet with your Clerk, Erica, in person and the audit was carried out remotely but I would like to take this opportunity to thank Erica for providing additional information upon request and also to acknowledge the hard work that has gone into the management of the Council, the preparation of the new website, and provision / publication of documentation.

During the course of the audit a query was raised regarding a reporting figure – this was subsequently acknowledged as an error and the amendment was made and confirmed / approved by Council and the correct figure is now registered.

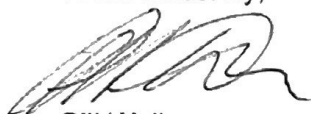
The Council has a new website and the information on the website is, as yet, not as organised as the previous one and there were a number of documents that were hard to find or not updated. The Clerk is aware of this but I acknowledge that when updating / changing a website it takes some time to audit the information published and manage its location on the site. I am satisfied that this is in hand and am confident that Erica will have the site sorted soon given her extensive experience and dedication

This report is based on the evidence made available to me or on the website. It would be incorrect to view the internal audit report as the detailed inspection of all records and

transactions of a council in order to detect error or fraud. Consequently, the report is limited to those matters set out above.

I would like to take this opportunity to wish the Council well.

Yours sincerely,



Gill Wells  
Internal Auditor to the Council  
Thewellsclan1@googlemail.com

## NORTHANTS CALC LTD INTERNAL AUDIT SERVICE

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

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	14870	16483
2. Annual precept	13683	13948
3. Total other receipts	879	792
4. Staff costs	6262	5903
5. Loan interest/capital repayments	NIL	NIL
6. Total other payments	6687	8469
7. Balances carried forward	16483	16851
8. Total cash and investments	16483	16851
9. Total fixed assets and long-term assets	34325	32950
10. Total borrowings	NIL	NIL

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. 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.northantscalc.com/uploads/practitioners-guide-2020.pdf>