Black Rose Solutions Ltd

Internal Audit - Report

Name of Council
Date of Audit

Outwoods Parish Council 10/06/2021

Annual Return - Internal Control Objectives

A. Appropriate accounting records have been properly kept throughout the financial year.		YES
Is the cashbook maintained and up to date?	yes	
Is the cashbook arithmetic correct?	yes	
Is the cashbook regularly balanced?	yes	
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B. This authority complied with its financial regulations, payments were invoices, all expenditure was approved and VAT was appropriately account		YES
Are payments supported by invoices?	yes	
Is all expenditure approved?	yes	
Is VAT appropriately accounted for?	yes	
Does the Council hold Power of Competence?	no	
If not, does the council monitor s137 expenditure against limit?	yes	
As detailed below (D & I) - the council has not fully adopted procedures deupdated financial regulations (specifically $2.2 \& 4.8$). The council needs to policy and procedure documents to ensure they are fully compliant.		
A VAT reclaim has been made during the period - but as it spans financial years it was not possible to verify the value claimed. A list of invoice details needs to be filed with the claim documents to sustantiate the claim.		R

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		YES
Does a review of the minutes identify any unusual financial activity?	no	
Do minutes record the council carrying out an annual risk assessment?	Nov-20	
Is Insurance cover appropriate and adequate?	yes	
Are internal financial controls documented and regularly reviewed?	yes	
Date of update Financial Regs	Nov-20	
Date of Update Standing Orders	Nov-20	

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		YES
Has the council prepared an annual budget in support of its precept?	yes	
Is actual expenditure against the budget regularly reported to the council?	no*	
Are there any significant unexplained variances from budget?	no	
Are reserves appropriate?	yes	
General reserves are around half the precept, which is line with guidance.		
Actual expenditure against budget is only considered by the council while sett precept, financial regulations (4.8) state that this should be done at least quar	_	R

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		YES
Is income properly recorded and promptly banked?	yes	
Does the precept recorded agree to the Council Tax authority's	yes	
Are security controls over cash and near-cash adequate and effective?	yes	
Is the council VAT registered?	no	
Are returns submitted in a timely manner.	yes	
Is VAT reclaimed on exempt business activities reviewed and considered insignificant?	n/a	
Are receipts for business activities within the registration threshold? The only income recorded is precept and VAT reclaim	n/a	

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/a
Is all petty cash spent recorded and supported by VAT invoices/receipts?	
Is petty cash expenditure reported to each council meeting?	
Is petty cash reimbursement carried out regularly?	
The council holds no petty cash	

G. Salaries to employees and allowances to members were paid in accordar authority's approvals, and PAYE and NI requirements were properly applied		YES
Do all employees have contracts or employment with clear terms and conditions?	yes	
Do salaries paid agree with those approved by the council?	yes*	
Are other payments to employees reasonable and approved by the	yes	
Have PAYE/NIC been properly operated by the council as an employer?	yes	
Does line 4 include only Salary, NI & Pension	yes	
Payroll is outsourced. However as salary is paid by a fixed monthly standing of then topped up with a cheque payment. There have been some minor payment.	-	
coding discrepancies. It is recommended to keep a schedule to ensure that the total of payments made matches to the payments due to be paid (and declared to HMRC) and are correctly reported in "satff costs".		R

H. Asset and investments registers were complete and accurate and properly maintained.		YES
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? Do asset insurance valuations agree with those in the asset register?	yes yes	

I. Periodic and year-end bank account reconciliations were properly carried out.		YES
Is there a bank reconciliation for each account?	yes	
Is a bank reconciliation carried out regularly and in a timely fashion and approved by council?	no*	
Are there any unexplained balancing entries in any reconciliation?	no	
Is the value of investments held summarised on the reconciliation?	n/a	
The bank balance is reported at each meeting - however it is not regularly che	cked back to	
the cashbook. The year end reconciliation, including unpresented cheques have reviewed or signed off.	s not been	R
Financial Regulations (2.2) require that a reconciliation between cashbook and bank statement is performed at least quarterly.		

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.		YES
Are year end accounts prepared on the correct accounting basis (receipts and payments or income and expenditure)?	R&P	
Are debtors and creditors properly recorded?	n/a	
Do accounts agree with the cashbook?	yes	
Is there an audit trail from underlying financial records to the accounts?	yes	

K. If the authority certified itself as exempt f	rom a limited assurance r	eview, it met the	YES
exemption criteria and correctly certified its	elf exempt		ILS
Income < £25k	£14,651	yes	
Expenditure < £25k	£14,091	yes	
Required Documents Published (2020)			
Certificate of Exemption		yes	
Annual Internal Audit Report		yes	
Section 1 - Annual Governance		VAS	
Statement		yes	
Section 2 - Accounting Statements		yes	
Analysis of Variances		yes	
Bank Reconciliation		yes	
Notice period - exercise of public		VOC	
rights		yes	

L. If the authority has an annual turnover not exceeding £25,000 it 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	
All items of expenditure above £100 yes	
End of Year Accounts yes	
Annual Governance Statement yes	
Internal Audit Report yes	
List of Councillor or member responsibilities yes	
Location of public land and building assets n/a	
Minutes, Agendas and papers of formal meetings yes*	
Agendas and minutes of recent meetings are published, but an issue with the archiving process means that not all are currently available.	

M. The authority has demonstrated that during summer 2020 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes)		YES
Date from 01,	/09/2020	
Date to 12	/10/2020	

N. The authority has complied with the publication requiremen	nts for 2019/20 AGAR.	YES
Notice of Period for Exercise of Electors Rights	yes	
Section 1 Annual Governance Statement	yes	
Section 2 Accounting Statements	yes	
Notice of Conclusion of Audit	n/a	
Section 3 External Audit Report & Certificate	n/a	
Internal Audit Report	yes	
O. Trust funds (including charitable) – The council met its responsibilities as a trustee.		N/a