

Annual Internal Audit Report 2021/22

Potterne Parish Council

<https://potterne.info/parish-council/>

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.			✓
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) 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).

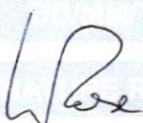
Date(s) internal audit undertaken

23/05/2021

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date

05/05/2022

*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).

The Clerk
Potterne Parish Council
1 Charter Close
Devizes
Wiltshire
SN10 2SJ

05-May-22

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2021/22, I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and I can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of Control Objectives F, K, L and O and we are required to explain why we have done this.

- *The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash.*
- *The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from limited assurance review in 2020/21.*
- *The reason for the Not Covered response for Objective L is that it is not applicable to your Council as your 'annual turnover' exceeds £25,000.*
- *The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.*

The External Auditor may query why we have responded 'Not Covered' and, if so, you should provide them with a copy of this letter.

Yours sincerely,



Kevin Rose ACMA
Director

Potterne Parish Council

Financial Year 2021-22

IAC Audit and Consultancy Ltd

Year End Internal Audit
Observations

Visit date: 26- April -2022

B

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Is Clerk CILCA qualified?	<i>The Clerk is not CiLCA qualified.</i>	The Council should consider whether the Clerk should be CiLCA qualified.	Medium	The Council will consider.

C

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Assets included in the assets register are covered under the Councils insurance policy	<i>The Asset Register dated November 2021, indicates a total value of assets of £58,078. However the insurance policy states a maximum of £50,000 is insured.</i>	The Council to review its insurance coverage to ensure that its assets are appropriately insured. If the Council should decide not to insure particular assets this decision should be recorded in Minutes of the appropriate meeting.	Medium	The Council will review its insurance coverage of assets at their June 2022 Meeting.

2	The value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	<p><i>The value of the Councils Fidelity Insurance does not cover the value of the Councils cash & bank holdings.</i></p> <p><i>The Council Fidelity Insurance Cover is £25,000. The Council cash & bank holdings as at November 2021 are a little over £80,000.</i></p>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	I can confirm that the Council Fidelity Insurance has now been increased to cover cash & bank holdings of £100,000
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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).

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Council Minutes record the dates set for the Exercise of Public Rights	<i>Council Minutes do not record the dates set for the Exercise of Public Rights.</i>	In future the Council to ensure that the date set for the Period of Exercise of Public Rights is recorded in Council Minutes.	High	I confirm that, in future, the Minutes will record the dates set for the Exercise of Public Rights