

AUDIT REPORT BY THE INTERNAL AUDITOR TO HALTON WITH AUGHTON PARISH COUNCIL

FINANCIAL YEAR ENDING 31 MARCH 2021

I confirm I have on 27th May 2021 undertaken an internal audit for the period 1st April 2020 to 31st March 2021 (in accordance with the Account and Audit Regulations (England) 2016 and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2020.

Sections 25, 26 & 27 of The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015(SI 2015/234) and The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404) require a Council to publish the Notice of Public Rights and publication of the unaudited Annual Governance & Accountability Return. The Clerk/Responsible Financial Officer (RFO) undertook the requirement and the date of announcement was posted advising documents were available for inspection from 29th June until 7th August 2020. The notice was posted on the website and on the noticeboards for the statutory period.

Section 20(2) of The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 /2020 require a Council to publish, as soon as reasonably practicable, after the conclusion of the audit, a statement on the website that the audit has been completed.

This requirement has been undertaken. The Annual Governance and Accountability Return, (AGAR) with all attendant information, was publicly displayed dated 9th December 2020 on the Council website, having been received from the External Auditor, ensuring compliance with all aspects of the Regulations.

The Council received an unqualified audit report from the External Audit. It is confirmed the Accounts and all governance documents fulfilled the requirements of the Account and Audit Regulations. The Council was advised of the receipt of the concluded External Audit, which was recorded in the minutes of the meeting on 9th December 2020 - Minute No. 20/12/132.

The audit was conducted by examining documents physically, together with information sent by e-mail and that displayed on the Council website, and the Clerk providing additional information for clarification in response to queries.

Detailed below are the findings of the Internal Audit

1. Proper Bookkeeping

The Council operates Receipts and Payments accounts as required by the Regulations. Those accounts record receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector. The accounts are balanced monthly and also record cumulative spending to date. There is the additional security of an internal checking system to monitor the accuracy of the data input into the computerised accounts.

2. Financial Regulations, Standing Orders and Transparency Code

Financial Regulations and Standing Orders are current and include all recent legislation. The Council has fulfilled its statutory obligations under the Transparency Code and has a comprehensive website in a format easily understood by the elector.

3. Invoice procedure

There is a clear audit trail from the financial records, supported by invoices, and all payments are authorised and duly recorded in the minutes. A random check was made of payments.

4. VAT

VAT was identified on purchases for the year ending 31st March 2021. The VAT recorded on payments verifies the accuracy of the sum for the year of £5,414.40.

5. Section 137 Payments

The RFO has identified and adhered to the statutory requirement to maintain 'a separate account' of expenditure under Local Government Act 1972 section 137 by the inclusion in the records of a separate accounting column.

Expenditure identified under this power – £20.00.

6. Risk Management

The Council has documentation clearly identifying risks associated with activities undertaken by the council both financial and physical. A draft document was received and approved at the meeting held on 9th September 2020.

7. Minutes

The Minutes clearly document the activities of the Council and there is no evidence of unusual financial activity. Loose-leaf minutes are sequentially numbered and verified by the signature of the Chairman.

8. Register of Interests

Members have duly completed the Register of Interests and fulfilled their obligation to keep it updated.

9. Budget Control

A correct budget process is in place and the budget is regularly monitored. Forecasting over/under budget spending identifies variances, which are addressed appropriately if required.

10. Cash Balances

The cash balances at the bank of £14,012.10 are considered adequate to enable the Council to fulfil the obligations in the 2021/22 budget.

11. Income Controls

All income is recorded and promptly deposited at the bank. There is no cash income.

12. Petty Cash/Clerk's Expenses

The Council does not operate a Petty Cash Account.

All spending under Clerk's Expenses is notified to and approved by Council.

Sums drawn are allocated to the appropriate budget heading and VAT is identified and claimed.

13. Payroll Controls

All PAYE/NIC records are up to date and submissions to HMRC are made in real time online.

14. Asset Control

The Asset Register documents assets held by the Council. Acquisitions and disposals in the current financial year have been adjusted and the assets at 31st March 2021 are £573,437.

All assets are adequately covered by insurance.

15. Bank Reconciliation

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries.

Conclusion

I confirm that Halton with Aughton Parish Council is compliant with all Account and Audit Regulations and statutory requirements.

In concluding my report I wish to express my appreciation to the Clerk/RFO for his assistance with queries and the thorough preparation and availability of all documents, which expedited the audit process as a result of accurate and transparent records.

Malcolm R Richardson

Internal Auditor

27th May 2021