

WITHERN WITH PARISH COUNCIL
INTERNAL AUDIT 2021/2022

I have carried out the audit of Withern with Stain Parish Council for the year 1st April 2021 to 31st March 2022 and make the following observations and notes:

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| A ACCOUNTS | Accounts are kept on a spreadsheet. |
| B FINANCIAL REGS/INVOICES | Standing Orders and Financial Regulations were noted as needing updating in May 21, however the minutes for that meeting are brief and there is no resolution that these policies were discussed and updated. |
| C RISK ASSESSMENT | There is a comprehensive Risk Assessment in place, but no notation as to when this was last reviewed. |
| D PRECEPT/PROGRESS | Budget was agreed for the 22/23 year, but there does not appear to be any clear reports throughout the year showing expenditure against specific budget heads. |
| E INCOME/VAT | Expected income was received, being the precept and grants. There does not appear to be any VAT element requiring claiming. |
| F PETTY CASH | There is no petty cash held. |
| G SALARIES | There is evidence that the Council has applied to HMRC but no evidence that the Council is operating a PAYE system for its Clerk as required by legislation. If the HMCR RTI system is used to calculate any tax liability then the print out of payments made should be available. |
| H ASSETS | The Asset list is noted, this needs regular reviewing. |
| I RECONCILIATIONS | There are no bank reconciliations noted throughout the year, and no bank reconciliation shown for the end of year. |
| J ACCOUNTING BASIS | The receipts and payments system should be used by the Council and this appears to be the case. |
| K EXEMPT | The Council is declaring itself exempt from limited assurance audit. |
| L PUBLISHED | The council appears to use its own website – www.withernstain.uk , which holds minutes and agendas. |
| M EXERCISE PUBLIC RIGHTS | Checking the council's website it appears there is no financial information since 19/20, the notice for Exercise of Public Rights for 20/21 year does not appear on the website. |

NOTES

I am confident that there are no major issues regarding any financial irregularity, however there are some areas which need attention to enable the Council to comply with its legislative requirements as a Local Authority. These are listed below:

- The minutes are very brief in parts, with no date of the actual meeting being shown on the minutes. Some minutes are headed "AGENDA" and it is therefore unclear if these are minutes or agendas.
- The minutes should clearly show attendees. This is important to show which Councillor was in attendance for decision making processes, and also to note any absentee members not sending apologies. The six month rule applies for members not attending and not giving apologies and valid reasons for absence which are approved by Council. A list of Council members attending also shows whether the meeting was quorate or not. On many resolutions initials were given against actions to be carried out, however these could not be cross reference with Councillors as there was no list of Councillors attending.
- There are some minor discrepancies in the accounts and minutes approving payments:
 - £60 approved for purchase of new phone/sim card – a payment of £59.95 was shown on the spreadsheet but this was dated April – outside the end of the financial year. Any payments made after the end of March need to be in the following year's accounts.
 - Some payments listed on the spreadsheet do not appear to have been approved in the minutes:
 - ICO £40 – Cheque 97
 - Website domain - £11.99 Cheque 99
 - S. Acklam Claim - £22.20 – cheque 100
 - Wreath - £20 – cheque 101
 - R. Aldrich - £413.50 – cheque 102

All payments made must be approved by council and shown clearly in the minutes.

- There is no bank reconciliation to show reconciliation to the accounts at the end of the year. The Audit form shows a balance to carry forward to the financial year 22/23 of £7371. Bank statement shows a balance of £7520, a difference of £149. This needs a clear reconciliation to show the difference – is this unrepresented cheque? The Auditors provide a pro forma bank reconciliation form to do this.
- It is noted that a new Clerk commenced mid year and that a sum has been agreed for training.
- Parish Council accounts should be clear and precise, with good audit trails particularly as the money bestowed upon Parish Council is from a compulsory "tax" on its residents. It is good practice to show progress against specific budget heads as regular intervals throughout the year (in small councils with limited expenditure, twice a year should be sufficient), and when agreeing the budget/precept for the year budget heads should be shown with proposed expenditure and progress throughout the year noted.
- The current Parish Council website needs to be updated with all financial matters, policies and details to comply with transparency requirements. The website should also meet current accessibility regulations and not require persons downloading minutes etc to have specific programmes installed (i.e. Office/word/PDF). It is noted that the website is to be updated so no doubt these issues will be sorted at that stage, alternatively the Council could take advantage of the new free website templates provided by Lincolnshire County Council.

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Withern Parish Council

27th June 2022

INVOICE

To carry out internal audit on Withern with Stain Parish Council accounts for 2021 / 2022 year including checking invoices, payments and receipts, website, corresponding minutes and policies.

Fee

£45.00

Cheques to be made payable to Mrs J. Cooper and sent to the above address.