

Annual Internal Audit Report 2020/21

TYSOE PARISH COUNCIL

www.tysoe.org.uk

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.	n/a		
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")	n/a		
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.	✓		
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).		✓	as per External Audit Report
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) 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

27/5/21

Name of person who carried out the internal audit

James William Woollicraft

Signature of person who carried out the internal audit



Date

27/5/21

*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).

**J W Woolliscroft
Carriers Cottage
Copston Magna
Wolvey
Hinckley
LE10 3HE**

**Tysoe Parish Council Internal Audit
27th May 2021**

Additional comments to the Annual Audit Report

The standard of record keeping, and policies and procedures was excellent, and all the documents required were easily available.

The following points need to be investigated and addressed.

- Internal financial checks and controls are in place, but these are not minuted.
- A loan was made by the Council but no statement was available or minuted.
- The H&S Policy needs reviewing in particular regard to working from home and lone working procedures.
- No evidence of an annual insurance review being carried out by Councillors was available or minuted.
- No evidence of the minutes of the Neighbourhood plan meetings being signed was available.
- In preparing the budget, the present reserves and proposed level of such need to be discussed and minuted and form part of the budget report.
- No proof of ownership of PC land is available, I recommend the Clerk to contact the Land Registry.
- No Grievance and Disciplinary Policy is currently in place, but I gather is in draft for the next year.
- It was noted that the Code of Conduct is to be reviewed following updates from NALC and Stratford on Avon Council.
- It would be beneficial to revisit and regularise the review dates of all policies and procedures.

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**Tysoe Parish Council Internal Audit
31st May 2022**

Additional comments to the Annual Audit Report

Despite the Clerk being new in post, the standard of record keeping, and the understanding of the policies and procedures required, was good, and all the documents required were easily available.

The following points need to be investigated and addressed.

- ✓ • Rent was recorded as being received for Council owned land, but no invoice appears to be raised.
- ✓ • The Clerk issues an agenda, but this is not signed.
- It was noted that following a random check of ledger entries, the entries were accurate and easily navigated. However, some minuting of the audit trail was missing or difficult to find.
In checking the audit trail for payments made during the year, some minutes were unavailable, for the ordering/authorisation of goods and services. I gather a system of purchase orders and the minuting of these, is proposed. This would make clearer the order-delivery-payment process.
- Sub committees of the council exist, but their terms of reference and the review of same were not available/ *Only groups not sub committees. But have TOR's*
- In preparing the budget, the present reserves and proposed level of such need to be discussed and minuted and form part of the budget report. The Council carries substantial reserves and the proposals for future spending, if agreed, of these should form part of the budget proposals put to the Council and the outcome recorded.
- ✓ • A contract of Employment for the Clerk is, I gather, in place. However, this was not available
- ✓ • The Clerk is not fully trained to enable "General Power of Competence". This would be beneficial to the Council.

The Clerk presented a well kept and methodical set of records and was aware of how the systems could be improved.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bill Woolliscroft". The signature is written in a cursive style with a long horizontal flourish underneath.

Bill Woolliscroft