

AUDIT REPORT BY THE INTERNAL AUDITOR TO LEVENS PARISH COUNCIL
PERIOD 1ST APRIL 2021 – 31ST MARCH 2022: FINANCIAL YEAR ENDING 31 MARCH 2022

I confirm I have, on the 16th May 2022 undertaken an internal audit for the period 1st April 2021- 31st March 2022 (in accordance with the Account and Audit Regulations (England) 2016 and in accordance with the Council's approved audit plan and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2022

The following areas have been assessed to ensure the internal financial controls are appropriate and relevant to Levens Parish Council.

Summarised below are the findings of controls covered.

1. Proper Bookkeeping

The Council operates Income and Expenditure accounts as required by the Regulations. The Cashbook records receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector.

There is clear segregation of Leven Parish Council Accounts from the Levens Community Project Accounts. Each is readily identifiable.

The cashbook is balanced monthly and also records 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. All data is held securely on a U.K Cloud base.

2. Financial Regulations, Standing Orders, Transparency Code.

Financial Regulations and Standing Orders are current and include all recent legislation, having been adopted in October 2019. There is an annual review and draft documents were prepared for adoption was approved at the meeting to be held on 18th. May 2021.

Finance Regulations – Minute 12/21

Standing Orders – Minute 12/21

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.

4. VAT

A VAT debtor is identified on purchases for the period ending 31st March 2022. There is also a clear reconciliation to ensure the correct transactions take place between the Council and the Project.

5. Sct 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 cashbook of a separate accounting column.

Expenditure identified under this power – British Legion. - £35.00.

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, reviewed and approved at the meeting held on 18th. May 2021. – Minute No. 12/21 e)

7. Minutes

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

8. Register of Interest

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 is addressed appropriately if required.

10. Cash Balances

The cash balances at the bank of considered adequate to enable the Council to fulfil the obligations in the 2022/23budget.

11. Income Controls

All income is recorded and promptly deposited at the bank. Income other than the precept is a wayleave and allotment rents.

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 head and VAT is identified and claimed.

13. Payroll Controls /Appraisal of the Clerk/RFO

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. - £8885 which is recorded in the 2021-2022 AGAR

All assets are adequately covered by insurance with Zurich.

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. The Chairman signs the corresponding bank statement for accuracy.

ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) 2020-2021

Sct 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) requires a Council to publish, Notice of Public Rights and Publication of unaudited Annual Governance & Accountability Return.

The Clerk/Responsible Financial Officer (RFO) advised the Council that the Notice of Public Rights would be posted on the relevant notice board and the website for the requisite period. 17th. June 2021 – 28th July 2021. – Meeting June – Minute No 23/21 b iv.

Inadvertently the incorrect notice was posted and two Conclusion of Audits exist on the website. – www.levens.org.uk.

Sections 20(2) of The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 /2020 as above, requires 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.

The requirement has been undertaken. The Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed dated 16th September 2021, 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 14th September 2021. Minute No. 48/21.e)

In concluding the 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.



Georgina D Airey
Internal Auditor – 18th May 2022.