

**AUDIT REPORT BY THE INTERNAL AUDITOR TO LEVENS PARISH COUNCIL
PERIOD 1ST APRIL 2019 – 31ST MARCH 2020
FINANCIAL YEAR ENDING 31 MARCH 2020**

The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 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 clerk has undertaken the requirement and the Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed.
The Clerk/Responsible Financial Officer (RFO) advised the Council at the meeting held on the 11TH November 2019. Minute 66/19 c iii

I confirm I have on the 3rd June completed the internal audit for the period 1st April 2019–31st March 2020 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the relevant sections of “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2019.

To comply with Government guidance and social distancing regulations during the Covid 19 pandemic the Audit was conducted by examining documents sent by e-mail by the Clerk, and information displayed on the Council website. – www.levens.org.uk/levens-parish-council 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 now operates Income and Expenditure accounts as required by the Regulations, as Levens Parish Council has income and/or expenditure in excess of £200,000. The Cashbook records receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector. 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.

2. Standing Orders, Financial Regulations, Appointment of Internal Auditor

Financial Regulations and Standing Orders were reviewed at the meeting held on 10th March 2020. Minute 108/19d and include all recent legislation.

The appointment of the Internal Auditor was undertaken and approved at the meeting held on 11th February 2020 Minute 93/19Ciii

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

VAT was identified on purchases for the period ending 31st March 2020. The VAT record on payments in the cashbook verifies the accuracy of the sum for the year of £13590.30.

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 Poppy Appeal. - £30

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 reviewed at the meeting held on 10th March 2020 – Minute No. 108/19di.

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 General Fund cash balances at the bank are considered adequate to enable the Council to fulfil the obligations in the 2020/21 budget. External Audit advise a working cash balance of between six and twelve months operating expenditure.

11. Income Controls

All income is recorded and promptly deposited at the bank. 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 head 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 will be explained in the variances appended to the AGAR. Assets as at 31st March 2020 - £8034.

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. The Chairman signs the corresponding bank statement for accuracy.

Conclusion

I confirm Levens Parish Council is compliant with all Account and Audit Regulations requirements. Additionally the Council has a mandatory requirement to comply with the Local Government Transparency Code 2015. Recommended guidance has been supplied to the Clerk/RFO.

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, required in the new circumstances, which expedited the audit process as a result of accurate and transparent records.

I wish to extend my best wishes to all Council members and the Clerk who continue in these difficult circumstances to represent the community and undertake their respective roles.



Georgina D Airey
Internal Auditor – 3rd June 2020

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LOCAL GOVERNMENT TRANSPARENCY CODE 2015

As the Council now has income/expenditure in excess of £200,000 additional information is required to be available on the dedicated Levens Parish Council section of the website.

Compliance with the Code is mandated under section 2 of the Local Government, Planning and Land Act 1980.

A handwritten signature in black ink, appearing to read 'G. Stacey', with a large, stylized flourish at the end.