

RAVENFIELD PARISH COUNCIL

INTERNAL AUDIT REPORT 2021/2022 FINANCIAL YEAR

- 1 I have completed an audit of the internal controls of Ravenfield Parish Council in respect of the financial year ended 31st March 2022. Having completed the audit, I have been able to sign the Annual Report by the Internal Auditor in accordance with the requirements of the Local Audit and Accountability Act 2014 (The Accounts and Audit Regulations 2015) and in so doing have noted that the Council conducts its affairs in a sound manner.

2. In carrying out the audit I have followed the suggested approach to Internal Audit Testing as defined by the National Audit Office and can confirm that I have acted independently in carrying out the Audit.

3. Internal Control 1 - Proper Book-keeping
 - (a) Is the cashbook (receipts and payments) maintained and up to date?

Yes. The Accounts continue to be kept in good order throughout the year with a good system of cross-referencing.
 - (b) Is the cash book arithmetic correct?

Yes. An arithmetical check has been carried out in accordance with the recommendations of audit practice.

4. Internal Control 2 - Standing Orders, Financial Regulations and Payment Controls
 - (a) Has the Council formally adopted Standing Orders and Financial Regulations?

Yes. The Parish Council continues to operate based on a comprehensive set of Standing Orders and Financial Regulations. These documents are reviewed on a regular basis.
 - (b) Has a Responsible Financial Officer been appointed with specified duties?

Yes, the Clerk is also fulfilling the role of Responsible Financial Officer and there is reference to the R.F.O.'s specific duties in the Financial Regulations.
 - (c) Have items or services above a de-minimis amount been competitively purchased?

Yes. There is no evidence to suggest that the Council is not achieving good value for money from its contracts for the supply of goods or materials, or for the execution of works.
 - (d) Are payments in the cashbook supported by invoices, authorised and minuted?

Following a complete review of the financial records it is evident that payments are supported by invoices, authorised and are recorded in the minutes of meetings appropriately.

The 'Receipts and Payments' book is kept up-to-date. Cheques which are issued are recorded when cashed, so that the Clerk can regularly, by contacting the bank, know exactly the amounts in the bank and also the cheques issued but not yet presented.

During the 2021/2022 financial year, the Parish Council began using a system of online (Internet) banking with the Unity Bank. This system should enable more detailed monitoring of the accounts, as well as the use of online payments which in turn should reduce the number of payments made by cheque.

- (e) Has VAT on payments been identified, recorded and reclaimed?

Yes. As part of this internal audit, the VAT on payments has been identified and recorded correctly in all cases. It is also appropriate to note that the claims for VAT repayment continue to be made in a very good, accurate and timely manner.

- (f) The income received by the Parish Council from the various groups which hire the Parish Hall has increased during the 2021/2022 financial year, in comparison to 2020/2021, as the impact of the Coronavirus (Covid-19) pandemic has waned and group activities and social events have resumed.

- (g) Is Section 137 expenditure separately recorded and within statutory limits?

There is a good process for separately recording Section 137 expenditure. The overall total amount of S137 expenditure remains within the statutory limits.

5. Bank Account

The Parish Council has an account with the HSBC bank and during the 2021/22 financial year has opened a new account with the Unity Bank. A large sum of money was transferred on 04 January 2022 from the HSBC bank account to the Unity Bank account. The Unity Bank account is now the Parish Council's active account. The Parish Council intends to close the HSBC bank account without delay.

6. Wages

Appropriate records are maintained for each employee. The correct amounts have been paid, including payments to HM Revenues and Customs. As part of this internal audit, these amounts have been checked and have been found to be correct. There continues to be the 'real time', immediate reporting of wages payments, as required by HM Revenues and Customs.

7. Financial Year End

A Statement of Accounts is produced for the External Auditor, which shows last year's figures (2020/21), as well as this year's (2021/22). A summary is also produced, recording the Parish Council's bank accounts and the individual balances at the end of the financial year.

8. Risk Management Arrangement

The carrying out of an annual risk assessment is part of the arrangements for Corporate Governance and appropriate records are kept and reviews undertaken.

It is evident that insurance cover is reviewed on an annual basis and the insurance policy is kept up-to-date.

9. Recommendations

There are no recommendations arising from this internal audit and report.

10. Conclusion

I would like to thank the Parish Clerk for her help and co-operation with the Audit.
There are no specific items on which I wish to submit a special report.

Richard Bellamy
Internal Auditor
30th May 2022