

# ULLEY PARISH COUNCIL

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## Internal Audit Report 2021/2022

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## **Background and Scope**

The Accounts and Audit Arrangements introduced with effect from 1<sup>st</sup> April 2015 require all Town and Parish Councils to implement an independent internal audit examination of their Accounts and accounting processes annually. The Council complied with the requirements in the terms of independence from the Council decision making process appointing Voluntary Action Rotherham to provide an internal audit function to the Council; this report sets out those areas examined during the course of our investigation of the Council's Accounts and Accounting processes for 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

## **Internal Audit Approach**

The audit has been conducted in accordance with the direction of the Council set out in the approved minutes of the Council meeting held in April 2022. The audit is not designed to identify all significant weaknesses in the Council's systems but, if such weaknesses come to our notice during the course of our examination, which we think should be brought to your attention; we shall report them to you.

The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council. The audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as might exist.

In accordance with guidelines set out by the Governance and Accountability for Local Councils – practitioners' guide, our work plan consisted of an investigation to review whether the systems of financial and other controls over the Council's activities and operating procedures are effective. Areas covered by the testing included;

- Bookkeeping
- Due Process
- Risk management arrangements
- Budgetary controls
- Payroll control
- Petty cash
- Asset control
- Bank reconciliation
- Year-end procedures
- Miscellaneous

## **Findings**

The internal audit was carried out off site, all records and evidence were provided by the Clerk either electronically or in paper format. The details of Internal control testing and findings is attached and any audit recommendations have been agreed with the Clerk/RFO.

I am pleased to note that the points raised at the last audit have been addressed other than an annual insurance review. This could be due to timings of the renewal.

The following recommendations/points should be addressed:

### **Bookkeeping**

Ensure bank interest is included in the cashbook and where possible invoices should be in the Parish Council's name to avoid VAT implications.

### **Risk Assessment Arrangements**

There was no evidence of annual insurance review and no evidence of regular reporting and minuting of the bank balance to Council.

### **Budgetary Controls**

The increase in precept was minuted in percentage terms, ensure the actual value of precept demand is minuted.

### **Asset control**

The council does maintain an asset register although this was not up to date on the website. JPAG 2021 states assets should be recorded net of VAT. This year's register and the previous year's register should be re-stated with net figures. The Clerk provided an amended copy of 2021-22 register upon completion of the internal audit.

The insurance values on the assets register do not match the insurance policy, this should be reviewed.

### **Miscellaneous**

The council should look to adopt a Freedom of Information policy.

### **Conclusion**

I am pleased to conclude and report that the Clerk has maintained a satisfactory standard of record keeping that has simplified the audit process. I have confidence that the figures lifted into the Statement of Accounts for the financial year ended 31st March 2022 are accurate.

All of the controls contained within the internal audit section of the AGAR were examined the following non-compliances were found.

- H. Assets and investment registers were complete and accurate and properly maintained.
- M. The authority failed to correctly provide for the period for the exercise of public rights as required by the Accounts and Audit regulations

All other key controls were found to be working satisfactory.