

**REPORT BY THE INTERNAL AUDITOR TO CALDBECK PARISH COUNCIL
FINANCIAL YEAR ENDING 31 MARCH 2020**

I confirm I have, on the 14th April undertaken an internal audit for the period 1st April 2019– 31st March 2020 in accordance with the Account and Audit Regulations (England) 2015 as previously approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2018

In the current circumstances the audit has been undertaken via e-mail and using the information displayed on the website. The Clerk has responded to all investigations with documented evidence. The Clerk has given assurance that the resolution of the Council will be recorded in the Minutes, verifying that the Council meets all criteria to declare that it is exempt from an External Audit. Subsequently the Annual Governance and Accountability Return(AGAR) will be displayed on the website to adhere to all statutory obligations and published deadline dates.

Documented below are the areas covered in the audit.

1. Proper Bookkeeping

The Council operates Receipts and Payments Accounts as required by the Regulations. The Cashbook is maintained and up to date. There were no arithmetical errors and there is a clear audit trail and a checking system. Backups of the system are carried out.

2. Standing Orders/Financial Regulations/Transparency Code

The Council has reviewed Standing Orders, which incorporates Financial Regulations via e-mail. The documents were formally adopted at the meeting held on 6th April 2020.

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.
All payments were checked and adhered to internal financial control procedures.

4. VAT

Vat has been recorded and the correct sum of £121.20 has been identified for the period 1st.April 2019 to 31st March 2020 and a claim has been submitted. The accuracy of the figure is confirmed by the audit trail to the cashbook.

5. Sct 137 Payments

There is a 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. The sums granted under this power for the current financial year – Great North Air Ambulance - £200; First Responders £70;

6. Risk Management

The Council annually reviews all risks to which the council is exposed. The Risk Assessment document was reviewed via e-mail, in accordance with the current restrictions on meetings. The document was formally adopted at the meeting held on 6th April 2020

7. Internal Financial Controls

There is clear evidence by checks, dates and signatures on relevant documents e.g. invoices, financial statements, schedule of payments, bank reconciliations, and chequebook stubs that the Council is in control of the use of public monies. A comprehensive Internal Financial Controls Policy Document was reviewed March 2020.

8. Register of Interest

Members have duly completed the Register of Interests and fulfilled their obligation to update the details annually. All members notify and record as appropriate at each meeting where there is a disclosable pecuniary interest.

9. Budgetary Control

A correct budget process is in place and the budget is monitored quarterly.

The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the RFO enable the council to readily address any budget under/overspends and if necessary make the relevant virements.

10. Cash Balances at the Bank

It is a requirement of internal audit to express a view on whether the cash reserves of the council are adequate or excessive. All general cash reserves are allocated to identified projects leaving a balance, which is adequate to meet the future budgeted undertakings of the council.

The donation for the Heskett Lonning is appropriately earmarked and is restricted to that purpose.

11. Income Controls

All income is properly recorded and promptly banked and adequate measures are in force to ensure security.

12. Petty Cash

The Council does not operate a petty cash system but the Clerk's expenses are reported to the relevant meeting.

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed if appropriate.

13. Payroll Controls

PAYE/NIC records and are recorded and the necessary payments are forwarded to HMRC to meet required deadlines. The Clerk operates all payroll internally

14. Asset Control

There exists an extensive register of all material assets in control of the Council. The register is up to date. All assets are adequately covered by insurance.

The assets remain at historical value on the asset register to ensure compliance with Account and Audit Regulations in the AGAR

15. Bank Reconciliation

The Bank Reconciliation accurately records the bank balances to the cashbook as at 31st March 2020. A member, on the respective bank statements, confirms the validity of the submitted information.

16. Year End Accounts

Calbeck Parish Council's Accounts are prepared as Receipts and Payments as required by the Audit Regulations.

I conclude and report that the Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records.

I wish to express my appreciation to the Clerk for his assistance, meticulous documentation and comprehensive website which has simplified the conduct of the audit in these new circumstances.

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

Georgina D Airey – Internal Auditor. 14th April. 2020.