

South Hykeham Parish
Council

INTERNAL AUDIT REPORT 2019/20

Internal Auditor: **Rachel Popplewell**

Date of Audit: 24th May 2021

Internal Control	Findings, Recommendations & Notes to Clerk
Proper Book Keeping	<p>Paper records are used to record payments and receipts and is used as the basis of the cash book, online banking is used to process payments.</p> <p>Controls appear adequate for cash receipts and cheque payments.</p> <p>A sample check of items and summary totals of payments approved by Council agrees with the cash book totals and balances.</p> <p>A sample check of cash reconciliation shows correct procedures have been undertaken throughout the financial year.</p>
Standing Orders Payment Controls	<p>Standing Orders, financial regulations and other Parish Council Policies have been reviewed and changes approved by Council during the 2020/21 financial year.</p> <p>From a sample of payments in the cashbook, payments appear to be properly supported by invoices and these are approved each month by Council.</p> <p>VAT – still to be claimed for this year</p>
Risk Management & Risk Assessment	<p>Parish Council minutes are presented in a ‘user friendly’ way and there is no evidence of any unusual financial activities.</p> <p>Insurance provision appears to be adequate with payment to insurance provider shown on bank statement and in cash book.</p>
Budget Controls	<p>A budget has been prepared that supports the precept demand for financial year 2020/21 and was duly approved by the Parish Council, precept request sent to the district council.</p>

Internal Controls	Internal budgetary control measures appear adequate and the appointment of an internal auditor was resolved by the Parish Council during the financial year.
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Loans	N/A
Petty Cash	No Petty Cash held – expenses claimed back with receipts as evidence
Payroll	Payments pertaining to the payroll for all staff of the Parish Council were approved by Council during the financial year 2020/2021. HMRC real time system used.
Asset Controls	The Parish Council have an asset register which clearly identifies council assets and their individual and combined values, reviewed annually
Bank Reconciliation	Bank reconciliations are complete for the financial year 2020/21 and supported by payment and receipt entries within the cash book and corresponding bank statements, signed off at PC meetings
Year End Procedures	I am satisfied that all year end procedures have been duly undertaken and completed in an appropriate way and the form in support of the accounts has been completed to this effect. AGAR to be signed and approved a the next meeting of the council.

General Notes:

- Updated Governance and Accountability for Smaller Authorities in England 2018:
<http://www.lalc.co.uk/wp-content/uploads/2012/07/Governance-and-Accountability-for-Smaller-Authorities-in-England-2018-Sections-1-5.pdf>
- 12th Edition of Arnold Baker on Local Council Administration is available from July 2020.

Internal Auditors Comment:

I recommend that the Parish Clerk should be congratulated on providing continued excellent administration support and comprehensive financial records on behalf of the Parish Council even when in lockdown, over the last 18 months the council supported by Carolyn has continued with meetings and provided excellent service to the residents of South Hykeham, during which has been a challenging year for us all.

Name Rachel Popplewell

24.05.2021

