

Annual Internal Audit Report 2020/21

Holme Valley Parish Council

www.holmevalleyparishcouncil.gov.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

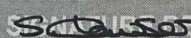
Date(s) internal audit undertaken

26/03/2021 01/06/2021 DD/MM/YYYY

Name of person who carried out the internal audit

Safia Kauser (Internal Audit Yorkshire)

Signature of person who carried out the internal audit

 REQUIRED

Date

01/06/2021

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Annual Internal Auditor Report

Explanations to external auditor for each “No” response on the Report:

Internal Control Objective

N. The authority has complied with the publication requirements for 2019/20 AGAR.

With regard to:

Guidance note 3 of Part 3 of the Annual Governance and Accountability Return 2019/20: “3. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved and published before 1st July 2020.” *This was amended due to The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 to 1st September 2020.*

The Parish Council approved Section 1, Annual Governance Statement, and Section 2, Accounting Statements at the Council meeting 20th July 2020. These documents were published on 27th July 2020. The correct documentation was posted to the Parish Council noticeboard, signed and dated by the Chairman, Clerk and RFO with reference to the relevant Council meeting and agenda item.

ISSUE:

Unfortunately, when the Responsible Finance Officer uploaded the documentation to the website on 27th July 2020, whilst he uploaded documentation with the correct text and figures, he did not upload the scanned papers that had been signed and dated by the Chairman, Clerk and RFO at the 20th July meeting. This did not meet the requirements of the audit.

ACTION:

The above issues were resolved by:

- The signed and dated copies of Sections 1 and 2 of the AGAR were uploaded as part of the external auditor’s report 24th November 2020.
- The RFO retrospectively added Sections 1 and 2 of the AGAR posted as they should have been from the outset as documentation of the unaudited AGAR.
- Moving forward to the Annual Governance and Accountability Return 2020/21, the RFO is fully aware now that the scanned, signed and dated documents need to be uploaded to the website as part of the publication of the Return.