

**Internal Audit Report
Little Coxwell Parish Council
Oxfordshire.**

**Internal Audit Final Report
2019-2020**

25th February 2020

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Introduction

An internal audit review of Little Coxwell Parish Council's Financial controls for 2019/20 has been undertaken by Arrow Accounting. The work covered was a key control review of the systems in place for ensuring an adequate level of Governance and Financial control. Previous recommendations were followed-up.



Scope of the Internal Audit

The review included the following:-

- o Bookkeeping Arrangements.
- o Payments in relation to Financial Regulations.
- o Review of Internal Controls.
- o Budgetary Controls.
- o Expected Income fully received and properly recorded.
- o Petty Cash levels and payments supported and approved.
- o Payroll Controls, salaries & fees.
- o Asset Controls.
- o Bank Reconciliations.
- o Accounting Statements.
- o Trust Funds (If applicable).
- o Review and completeness of audit action plans.
- o Review of External Audit recommendations made in the previous year.
- o Review of Section 1 of the Annual Return and the Financial Statements.
- o Compliance with the Transparency Act.
- o Auditors Summary.



Findings, recommendations and action plan

| Process | Annual Return Section | Findings | Recommendations | Action Planned |
|--|-----------------------|---|---------------------------------------|-------------------------------------|
| <p>Bookkeeping Arrangements</p> | <p>A</p> | <p>Appropriate books of account have been properly kept throughout the year. Well maintained with sound audit trails.</p> | <p>None</p> | <p>N/A</p> |
| <p>Councils Financial Regulations have been met in regard to expenditure.</p> | <p>B</p> | <p>The Councils Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.</p> <p>Financial Regulations checked. No Issues.</p> <p>Payments were supported by Invoices, expenditure was approved and VAT was appropriately accounted for.</p> <p>Expenditure testing completed satisfactory. Appropriate Vat submissions checked satisfactorily.</p> | <p>None</p> <p>None</p> | <p>N/A</p> <p>N/A</p> |

Findings, recommendations and action plan

| Process | Annual Return Section | Findings | Recommendations | Action Planned |
|-------------------------------------|------------------------------|---|------------------------|-----------------------|
| Review of Internal Controls. | C | <p>The Council has assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p> <p>Risk Assessment confirmed and completed satisfactorily.</p> <p>Level of Fidelity Insurance is at appropriate level.</p> <p>Review of Internal Audit completed for 2018/19</p> <p>Statement of Internal Controls completed satisfactorily.</p> | None | N/A |

| Process | Annual Return Section | Findings | Recommendations | Action Planned |
|---|-----------------------|--|---|--|
| <p data-bbox="85 254 411 375">Budgetary Controls (Precept requirement)</p> <p data-bbox="85 475 411 554">Budgetary Controls (Budget monitoring)</p> <p data-bbox="85 654 411 775">The final Outturn is in line with expectations.</p> | D | <p data-bbox="639 254 1091 418">The Annual precept requirement resulted from an adequate budgetary process.</p> <p data-bbox="639 475 1091 554">Progress against the Budget was regularly monitored.</p> <p data-bbox="639 611 1091 732">The Final Outturn was materially in line with expectations.</p> | <p data-bbox="1280 254 1369 282">None</p> <p data-bbox="1280 518 1369 546">None</p> <p data-bbox="1280 746 1369 775">None</p> | <p data-bbox="1667 254 1756 282">N/A</p> <p data-bbox="1667 518 1756 546">N/A</p> <p data-bbox="1667 746 1756 775">N/A</p> |
| <p data-bbox="85 896 343 925">Income controls</p> | E | <p data-bbox="639 896 1091 1018">Expected Income was fully received and properly recorded.</p> <p data-bbox="639 1075 1091 1153">Income test completed satisfactorily.</p> | None | N/A |
| <p data-bbox="85 1182 392 1210">Petty cash controls</p> | F | <p data-bbox="639 1182 1091 1260">Petty cash was not operated by the Council.</p> | None | N/A |

| Process | Annual Return Section | Findings | Recommendations | Action Planned |
|------------------|-----------------------|---|-----------------|----------------|
| Payroll controls | G | Salaries to employees and allowances to members were paid in accordance with council approvals. PAYE and NI requirements were properly applied. | None | N/A |
| Asset Controls | H | The Asset register has correctly recorded all material Assets. The correct basis of valuation has been applied. | None | N/A |
| Asset Controls | H | Additions in the year have been correctly recorded within the Cash Book and Register | None | N/A |
| Asset Controls | H | All appropriate Deeds and Titles have been established and shown on the Register. | None | N/A |

| Process | Annual Return Section | Findings | Recommendations | Action Planned |
|-----------------------------|-----------------------|---|-----------------|----------------|
| Bank Reconciliations | I | Periodic and year-end bank account reconciliations were properly carried out. | None | N/A |
| Accounting Statements | J | Correct accounting basis used and reconciled to the Cash Book. Receipts & Payments | None | N/A |
| Trust Funds (If applicable) | K | The Parish Council does not operate as a Trustee for any external body. | None | N/A |

| Process | Criteria | Findings | Recommendations | Action Planned |
|---|----------------------|---|-----------------|----------------|
| Review of Internal audit action plan has been considered and actioned? | Good Practice | Recommendations made in the previous year 2018/19. | None | |

| Process | Criteria | Findings | Recommendations | Action Planned |
|---|--|--|---|---|
| <p data-bbox="54 362 401 529">External Audit recommendations have been considered and actioned.</p> <p data-bbox="54 676 386 843">Qualifications made, if any have been addressed in 2019/2020.</p> | <p data-bbox="434 362 664 396">Good Practice</p> | <p data-bbox="699 362 1145 486">No Recommendations made in the previous year 2018/19.</p> <p data-bbox="699 676 1145 753">There were no qualifications to address.</p> | <p data-bbox="1338 362 1429 396">None</p> <p data-bbox="1338 676 1429 711">None</p> | <p data-bbox="1715 362 1787 396">N/A</p> <p data-bbox="1715 676 1787 711">N/A</p> |

| Process | Criteria | Findings | Recommendations | Action Planned |
|---|---|---|-----------------|----------------|
| Accounting Statements agreed and reconciled to the Annual Return | Section 1 of the Annual Return Part 1 of the Annual return is complete and accurate and reconciles to the statement of accounts. | The accounting statements in this annual return present fairly the financial position of the council and its income and expenditure. | None | N/A |
| | | | | |

| Process | Criteria | Findings | Recommendations | Action Planned |
|--|--|------------------|-----------------|----------------|
| Compliance with the Transparency Act. | 1) Expenditure over £100 is recorded on the Council Web-Site and with all information requirements. | Compliant | None | N/A |
| | 2) Annual Return published on the Web-Site. | Compliant | None | N/A |
| | 3) Explanation of significant variances. | Compliant | None | N/A |
| | 4) Explanation of difference between Box 7 & 8 if applicable. | Compliant | None | N/A |
| | 5) Annual Governance Statement recorded. | Compliant | None | N/A |

| Process | Criteria | Findings | Recommendations | Action Planned |
|---|--|-----------|-----------------|----------------|
| Compliance with the Transparency Act. (Contd) | 1) Internal Audit Report Published. | Compliant | None | N/A |
| | 2) A List of Councillors responsibilities. | Compliant | None | N/A |
| | 3) Details of Public Land and Building Assets. | Compliant | None | N/A |
| | 4) Minutes & Agendas | Compliant | None | N/A |

Internal Auditors Summary Report

Little Coxwell Parish Council has an electorate in the region of 122, and the precept for 2019/2020 was set at £1,300.

Overall, the Council has sound arrangements in place to satisfy itself that its systems of internal financial control are both adequate and effective. There are approval and authorisation controls and there is a clear audit and management trail for financial transactions.

Phil Hood

Arrow Accounting

(Internal Audit)

25th February 2020

