

## HANKELow PARISH COUNCIL

### INTERNAL AUDIT REPORT – FINANCIAL YEAR 2020-21

The Internal Audit has been undertaken with reference to Section 4 of the Annual Return 2020 and appendix 9 of *Governance and Accountability for Local Councils*. The Clerk, Paula Cottrell, is thanked for her assistance with the audit. The opinion formed during the Internal Audit is based on the evidence provided at audit in the form of documents, accounts, receipts etc., in addition to consultation with the Clerk. No assumptions or speculation is made unless evidence is produced.

Area covered	Observations	Recommendations
<b>Proper bookkeeping</b>	<ul style="list-style-type: none"><li>• Accounts are maintained on a spreadsheet</li><li>• Testing revealed no errors in the cashbook</li><li>• Cashbook is maintained on an ongoing basis</li></ul>	
<b>Standing orders</b> <b>Financial regulations</b> <b>Payment controls</b>	<ul style="list-style-type: none"><li>• The council has formally adopted financial regulations and standing orders.</li><li>• Testing revealed no issues</li><li>• A VAT return has been submitted to reclaim the recoverable VAT.</li></ul>	
<b>Risk management</b>	<ul style="list-style-type: none"><li>• A review of minutes has not identified any unusual activity.</li><li>• The Council undertook an annual risk assessment in July 2020</li><li>• Public liability insurance of £10m seems adequate</li></ul>	

	<ul style="list-style-type: none"> <li>The Council has adopted a set of Financial Regulations and these were reviewed in 2017-18</li> </ul>
<b>Budgetary Controls</b>	<ul style="list-style-type: none"> <li>The Council prepares an annual budget and budget monitoring statements are presented to council meetings</li> </ul>
<b>Income Controls</b>	<ul style="list-style-type: none"> <li>All income is properly recordsd</li> </ul>
<b>Petty cash procedures</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<b>Payroll Controls</b>	<ul style="list-style-type: none"> <li>The Clerk has an employment contract</li> <li>Salaries and PAYE/NIC are correctly paid and approved.</li> </ul>
<b>Assets controls</b>	<ul style="list-style-type: none"> <li>The Council maintains a register of assets.</li> <li>Insurance valuation broadly in line with the asset valuation.</li> </ul>
<b>Bank Reconciliation</b>	<ul style="list-style-type: none"> <li>Bank reconciliations has been undertaken with no unexplained balancing items.</li> </ul>
<b>Year-end procedures</b>	<ul style="list-style-type: none"> <li>Year end accounts produced on receipts and payments and testing agreed to cash book.</li> </ul>
<b>Transparency code</b>	<ul style="list-style-type: none"> <li>All required information has been disclosed online</li> </ul>

