

# Annual Internal Audit Report 2021/22

SOUTH CADBURY AND SUTTON MONTIS PARISH COUNCIL

www.southcadburyandsuttonmontispc.co.uk

During the financial year ended 31 March 2022, 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 2021/22 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.	✓		OK.
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.	✓		OK.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	Budget not formally prepared
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.	✓		NO movement
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.	✓		pay slips not seen.
H. Asset and investments registers were complete and accurate and properly maintained.			✓ none
I. Periodic bank account reconciliations were properly carried out during the year.	✓		at year end
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.	✓		income and expenditure
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")	✓		
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements		✓	website not yet fully functioning
M. The authority, during the previous year (2020-21) 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).		✓	information displayed on parish website
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).		✓	
<b>O. (For local councils only)</b> 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

Name of person who carried out the internal audit

AUGUST 2022 MM/YYYY DD/MM/YYYY

SALLY PALMER AUDITOR

Signature of person who carried out the internal audit

*Palmer*

DATE

13 08 2022

\*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). see attached

\*\*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).

**Additional Information – to be published with Annual Internal Audit Report 2021/22**

Internal control objective	Comment	Action
B	<p>Supporting documentation not available for items:</p> <ul style="list-style-type: none"> <li>• Bank change of £5</li> <li>• South Cadbury Village Hal donation £100</li> <li>• SSCAT donation of £100</li> <li>• Grant towards grass cutting £800</li> </ul> <p>Although donations agreed to minutes.</p>	Retain all bank statements and ask for receipts for all donations.
B	VAT of £5 has not been reclaimed.	Recommend that the Council checks whether VAT can be reclaimed and, if relevant, consider whether it should do so.
C		Suggest that objectives are clearly documented and risks reviewed annually.
D	No budget prepared to support the precept for 22/23.	A simple budget should be prepared for the 23/24 that shows the expected change in the bank balance over the year.
F	No documentation seen for long held petty cash, although there had not been any petty cash movements in the year.	There have been no movements in petty cash since 2018 so suggest the petty cash balance is not required and should be banked.
G	Payroll records for 21/22 were not seen as the previous payroll provider has closed down the payroll. Verbal information was given that give confidence that payroll was properly run and that PAYE and NI were not underpaid.	New payroll should be established and records maintained.
L - M	No information relating to the audit for 20/21 has been published on a free to access website. The Parish Council's website is still under construction.	The website should be as a matter of urgency. In the meantime information should be published on Parish notice boards.