



**INTERIM INTERNAL AUDIT REPORT**

**TO**

**WELLESBOURNE & WALTON  
PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2021 - 2022**

**Prepared by: Bill Robinson**

**Issued November 2021**

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### **Statement of Responsibility**

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with the Clerk and Responsible Financial Officer of Wellesbourne and Walton Parish Council

This report has been prepared solely for Wellesbourne and Walton Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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## Wellesbourne and Walton Parish Council Interim Internal Audit 2021 – 2022

This Internal audit was carried out in conjunction with the Clerk and the RFO on the 19<sup>th</sup> November 2021 at Wellesbourne and Walton Parish Council Office.

### Accurate book keeping

- Income and expenditure entries to the cashbook spreadsheet (SAGE) were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- Bank reconciliation – a reconciliation of all individual Parish Council accounts was checked and found to be correct to the individual bank statements.
- In addition an audit trail of the following cheques was carried out.

### **Audit trail for the year 1<sup>st</sup> April 2021 to 31<sup>st</sup> October 2021**

#### **Current Account**

<b>Date</b>	<b>Payment.</b>	<b>Amount</b>	<b>Payee</b>	<b>Minute /Item</b>
06/04/21	BACS	£20,988.00	Astromezz	06/04/21 / 12.2
06/04/21	BACS	£2092.80	AMW	06/04/21 / 12.2
04/05/21	BACS	£37.50	Lengthsman	04/05/21 / 22.2
04/05/21	BACS	£55.99	Water Plus	04/05/21 / 22.2
04/05/21	BACS	£2087.40	AMW	04/05/21 / 22.2
04/05/21	BACS	£524.10	Archer Signs	04/05/21 / 22.2
22/06/21	BACS	£5332.67	BHIB	22/06/21 / 12.1
22/06/21	BACS	£870.19	Edge IT Systems	22/06/21 / 12.1
22/06/21	BACS	£2052.80	AMW	22/06/21 / 12.1
20/07/21	BACS	£1280.40	T.Fox	20/07/21 / 13.2
20/07/21	DD	£22.66	Positive Energy	20/07/21 / 13.2
20/07/21	BACS	£2050.80	AMW	20/07/21 / 13.2
07/09/21	BACS	£1986.60	AMW	07/09/21 / 11.1
07/09/21	BACS	£309.36	B.Saunders	07/09/21 / 11.1
07/09/21	BACS	£50.10	ESPO	07/09/21 / 11.1
07/09/21	BACS	£30.00	WALC	07/09/21 / 11.1

<b>Date</b>	<b>Payment.</b>	<b>Amount</b>	<b>Payee</b>	<b>Minute /Item</b>
07/09/21	BACS	£11.35	Lengthsman	07/09/21 / 11.1
07/09/21	DD	£28.70	Pozitive Energy	07/09/21 / 11.1
05/10/21	BACS	£187.20	Cheaper waste	05/10/21 / 11.2
05/10/21	BACS	£443.11	BT	05/10/21 / 11.2
05/10/21	BACS	£1897.20	T.Fox	05/10/21 / 11.2

All payments were found to be matched to the individual invoice and to the minute reference.  
 All payment audit trails were satisfactory.  
 All income trails were satisfactory and the proceeds properly banked, and the Sage spreadsheet properly used  
 All Direct Debits were properly accounted for  
 All BACS payments were properly accounted for.

It was noted that a monthly bank budget monitoring process was prepared and presented to the Parish Council, utilising a bank reconciliation process and running total on a spreadsheet with variation figures – this is good practice.

It was noted that the Parish Council has properly delegated powers to the Clerk to pay invoices before a council meeting can take place, and this delegation of power will be reviewed in January 2022 – the Parish Council is to be commended upon this.

### **Accounts**

It was noted that a trial balance to 31<sup>st</sup> October 2021 was produced and this matched the accounts figures shown

All monthly accounts to 31<sup>st</sup> October 2021 were in accordance with the bank statements.

It was noted that a trial balance on the current account to 31<sup>st</sup> March 2021 was produced, and this matched the account figures shown.

The monthly accounts from 1<sup>st</sup> April 2021 to 31<sup>st</sup> October 2021 for the financial year 2021 -2022 were checked across all accounts and found to be arithmetically correct and properly reconciled to the bank statements.

These include the following accounts:-

Barclays tracker account

National savings account (reconciled on an annual basis)

Active saver account (reconciled on an annual basis)

It was noted that the RFO produces a monthly detailed income and expenditure account for the Council, broken down into pie charts for ease of understanding, this is good practice and the Clerk/RFO are to be commended.

It was noted that all VAT payments to the 31st October 2021 have been properly reclaimed from HMRC

It was noted that all creditor's balances have been accounted for.

### **Sage Financial Recording Package**

There is no cashbook as all financial transactions are recorded on a Sage financial recording package, with all income properly banked in an expeditious manner.

### **Income Control**

It was noted that all receipts including the precept were paid directly to Wellesbourne & Walton Parish Council bank account, recorded on the Sage financial recording system and presented to the Parish Council for inspection on a monthly basis.

It was noted that a monthly finance management report from the RFO is presented to the Council for monitoring purposes – the RFO and Council are to be commended on the use of this financial management arrangement.

### **Budget Controls**

All budget controls were checked and found to be satisfactory.

Bank reconciliations were checked and found to be satisfactory

Balances and reserves were checked and found to be satisfactory.

It was noted that each Council Committee reviews its own budget on a monthly basis – this is good practice and the Council is to be commended on this approach to its finances.

It was noted that the Parish Council reserves were when necessary properly vired and minuted when being moved from one reserve fund to another – the parish Council is to be commended on dealing with reserves properly.

### **Petty Cash**

It was noted that Wellesbourne & Walton Parish Council does operate a petty cash scheme with all invoices held in a separate folder and properly recorded individually on the Sage financial system. It was also noted that the petty cash appears as a separate item for the Parish Council to check on the monthly Sage budget presented to the Council.

It was also noted that the RFO properly reconciles the petty cash to the bank statements, and this was seen on the trial balance to 31<sup>st</sup> October 2021.

It was noted that the Clerk keeps a running monthly total of all petty cash transactions, broken down into categories for ease of checking – this is good practice and the Clerk is to be commended

### **External Audit**

It was noted in the minutes of the 7<sup>th</sup> September meeting item 11.5 that all requests from the external auditor were complied with.

### **Precept 2021 – 2022**

It was noted in the minutes of the meeting on 5/01/2021 item 12.6 that the precept for the financial year 2021 – 2022 was agreed and set, it is good practice to formally acknowledge the setting of the precept.

### **Financial Regulations**

It was noted that the currently approved Financial Regulations are properly shown on the Parish Council website, this is good practice and in line with all Transparency Act requirements

### **Standing Orders**

It was noted that the currently approved Standing Orders are properly shown on the Parish Council website, this is good practice and in line with all Transparency Act requirements.

### **Asset Register**

The asset register will be checked at the financial year end.

It is good practice to get into the habit of reviewing all assets on a regular basis

### **Minutes of the Parish Council meetings**

All minutes were checked, and found to be satisfactory, with no evidence of any unusual activity.

### **Insurance**

It was noted that Wellesbourne & Walton Parish Council has entered into a 3 year agreement with its insurer to obtain the financial benefits that a multi - year insurer can provide.

It was noted that the key personnel clause in the insurance cover was for the Clerk, RFO, Assistant Clerk/Groundsman, this is good practice as these key personnel are essential to the smooth running of the council.

### **Payroll**

It was noted that all HMRC payments were properly made regarding Wellesbourne & Walton Parish Council staff income tax and NICS using a “Moneysoft” payroll package.

### **Risk assessment**

It was noted in minute of the finance committee item 13 that a Cllr. noted that there is a need to update the risk assessment document.

It was noted that all play areas are checked on a monthly basis and that all inspection records are held in the Parish Council office.

### **Lone Working**

It was noted the lone working policy of the Parish Council is still in force – good practice.

### **Sec.137 Payments**

It was noted that up to 31<sup>st</sup> October 2021 payments under this power are within the statutory limits.

### **General Power of Competence**

It was noted that Wellesbourne & Walton Parish Council no longer holds this power.

### **Councillors Handbooks**

It was noted that all Wellesbourne & Walton Parish Council policies were contained within the handbooks and are being amended to include all formal updates prior to being given to all Parish Councillors, this is good practice.

### **Quotes and Tenders**

It was noted that all quotes for the financial year 2021-2022 thus far, are recorded and held in a separate file it is good practice to keep all quotes and tenders separate.

### **Appraisals**

It was noted that staff appraisals have been carried out – the process is good and the Clerk is supportive of the Council’s appraisal procedures

### **Parish Council Structure**

It was noted in minute of the meeting on 04/05/21 item 7.2 that all Parish Council committee structures (Finance, HEE, Community Facilities, Office and Staffing) were approved.

It was noted in minute of the meeting on 04/05/21 item 7.3 that all Parish Council committee Chairs were approved. This is good practice and the Council is to be commended.

It was noted in minute of the meeting on 04/05/21 items 8.1-8.2 that all working parties and nominations to other bodies were approved – this too is good practice.

**Conclusion**

Whilst undertaking the Interim Internal Audit, it is apparent that the Clerk and RFO are carrying out their responsibilities in an exemplary fashion to the standard required by Local Government Finance Regulations.

This internal auditor has noticed that once again Wellesbourne & Walton Parish Council has consistently over the last years continually improved its processes regarding Parish Council governance, and the whole of the Council is to be commended.

This concludes the Interim Internal Audit for the 2021 – 2022 financial half year.

Signed.....  Dated 22<sup>nd</sup> November 2021  
W.J.Robinson