

Internal Audit Report for Much Hoole Parish Council – Year Ended March 2022

Opening Statements

The audit has been carried out in accordance with the agreed Terms of Reference.

The audit concentrated on the adequacy of internal controls as outlined in the Financial Regulations, but did not exclude conducting detailed checks of the books of account and this included the following:

1. Annual Precept
2. Bank Reconciliations
3. Expenditure documentation (invoices) with a 100% check being undertaken
4. Income analysis and supporting documentation
5. Budget documentation
6. Fixed Asset Schedules

The opinion formed during the internal audit is based on the documents provided and consultations with Mr Russ Weaver, Clerk to the Council.

Causes for Concern

None.

Points to Note

The following points should be noted for future years to ensure full compliance with the Financial Regulations:

1. Quarterly Bank Reconciliations should be produced and signed at relevant council meetings (Financial Regulations 2.2).
2. Quarterly Budget Reports should be produced and signed at relevant council meetings (Financial Regulations paragraphs 4.7).
3. Council minutes should specifically state that the annual budget is reviewed every quarter when actuals are compared to individual budget lines (Financial Regulations 4.7).
4. It is not possible for the Internal Auditor to verify that electronic payments are made in accordance with the Council's Financial Regulations. If not already in place the Council should adopt an online "dual authorization" process for all electronic payments. In addition, following the move to electronic payments it is suggested that the invoices that support an electronic payment should be initialled by the Councillors authorising that payment.
5. Banking arrangements were not reviewed during the financial year under review (Financial Regulations paragraph 5.1) – **Outstanding from last year.**

Good Practices

See list on page 2 of this report.

Summary

The books of account and supporting documentation are maintained to a high standard and provide an excellent audit trail through to the final accounts and associated schedules including:

1. Income and Expenditure Account
2. Cash Flow Budget
3. Monitor of actual performance to budgeted precept
4. Asset Register



Ian Edwards

11th May 2022