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Date: ^{KCC} 21 April 2022

INTERNAL ADITOR REPORT

Dear Chairman,

I was appointed to be the Parish Council Internal Auditor for FY 21-22. I have carried out a review of the Parish Council's accounts in line with the "Governance and Accountability for Smaller Authorities in England (A Practitioners' Guide (England) 2021. The results of the review and any subsequent recommendations are shown in the table below.

Internal Control	Test & Results	Recommendations
(a)	(b)	(c)
Proper bookkeeping	• Is the cashbook maintained and up to date? Yes, all transactions entered as they arise. - Is the cashbook arithmetic correct? Yes • Is the cashbook regularly balanced? Yes, every 2 months	
a) standing orders and financial regulations adopted and applied; and b) payments controls	• Has the council formally adopted standing orders and financial regulations? Yes, and they are reviewed annually. • Has a Responsible finance officer been appointed with specific duties? Yes, as set out in Standing Orders & Financial Regulations • Have items or services above the de minimus amount been competitively purchased? Yes, unless there was only one supplier. • Are payments in the cashbook supported by invoices, authorised and minuted? Yes, and fully cross referenced • Has VAT on payments been identified,	No expenditure

	recorded and reclaimed? Yes • Is s137 expenditure separately recorded and within statutory limits? Yes	
Risk management arrangements	• Does a review of the minutes identify any unusual financial activity? No • Do minutes record the council carrying out an annual risk assessment? Yes, at item 13.7 of the May 21 meeting. • Is insurance cover appropriate and adequate? Yes, and reviewed annually in line with additions to asset register and risk assessment • Are internal financial controls documented and regularly reviewed? Yes, as per Standing Orders and Financial Regulations	
Budgetary Controls	• Has the council prepared an annual budget in support of its precept? Yes, RESOLVED at item 13.5 of the Jan 21 meeting. • Is actual expenditure against the budget regularly reported to the council? Yes, at every meeting • Are there any significant unexplained variances from budget? No	
Income Controls	• Is income properly recorded and promptly banked? Yes, as soon as it is received • Does the precept recorded agree to the Council Tax authority's notification? Yes • Are security controls over cash and near-cash adequate and effective? Yes, as set out in Standing Orders and Financial Regulations	
Petty cash procedures	• Is all petty cash spent recorded and supported by VAT invoices/receipts? N/A • Is petty cash expenditure reported to each council meeting? N/A • Is petty cash reimbursement carried out regularly? N/A	

This is the fifth year that I have been the Parish Council's Internal Auditor and I have a good understanding of parish Council Accounts. Once again, this has not been a normal year due to Covid 19 and the Council has had to work hard to operate effectively whilst maintaining good control and accountability of its finances.

I note that the Council correctly certified itself as exempt from a limited assurance review in FY 2020/2021. Moreover, the Council continues to follow the guidance given by the External Auditor and IAW The Practitioners' Guide 2020 in that clerk's expenses are now accounted for in box 6 of the AGAR.

The RFO continues to keep the account in good order and the Council can take pride in its efforts to ensure that every penny spent is spent wisely. However, the Council has still managed to deliver a good service to the parishioners.

I note that the Council's cash balance has increased from £2867.50 at the end of FY 20/21 to £3223.27 mainly as a result of an increase in grants and donations and despite the purchase of a new bench at a cost of £414. I remain confident that the Council is getting good value for money in that the Council has been successful in delivering a major community enhancement project at limited cost to the villagers.

Once again, the Council has applied rigorous scrutiny to its budget for FY 20/21 and resolved to increase the Precept for FY 22/23 by only £41.58 to £3885.85. Although I support the Council in doing this as it fits with its intention to maintain its minimum reserves at £2,100.00 (54% of FY 22/23 Precept) the Council may wish to review its level of reserves as when the £2,100.00 was set in November 2012 it was 63% of the FY 13/14 Precept of £3330.00

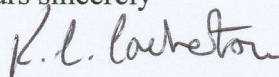
I confirm that during summer 2021 the Council had correctly provided the proper assurance for the exercise of public rights in accordance the requirements of the Accounts and Audit Regulations.

I note that that as the Council does not have income or expenditure in excess of £25K there is no requirement for a limited review and as a result the council has certified itself as exempt from a limited review.

Following guidance from The Joint Practitioners' Advisory Group I would encourage the Council to have its own e-mail address which is owned by the council rather than relying on the use of personal e-mail addresses that can change regularly. This will reduce the risk of correspondence going astray or being delayed.

I advise the Council that it that its current internal controls and accounting practices combined with its Financial Regulations and Risk Assessment meet the standard required to allow the Council to safely certify itself as exempt from a review by an External Auditor and to safely sign off the Annual Governance Statement and Accounts Statements as required at Sect 1 & 2 of the Annual Governance and Accountability Return Part 2.

Yours sincerely



Keith Cockerton
Internal auditor to Everleigh PC