

**COPYTHORNE PARISH COUNCIL MEETING – TUESDAY MARCH 9TH 2021**

**ITEM 15c. To receive and approve the Interim Internal Audit Report for Period April 1<sup>st</sup> 2020 to December 31<sup>st</sup> 2020**

On February 10<sup>th</sup> 2021 I met (via Zoom Meeting) with Tim Light, the Parish Council's internal audit to go through the findings of his Interim Internal Audit Report for the first nine months of the 2020/21 Financial Year.

I am pleased to report that as you will see from his Audit Report attached that there are ***“No formal recommendations from this interim internal audit review”*** and that ***“Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Copythorne Parish Council”***.

Tim and I will meet again on May 25<sup>th</sup> 2021 to go through the final three months of the year and hopefully cover off the required AGAR (Annual Governance and Audit Review) for 2021/22.

In the meantime, I would ask you to receive and approve Tim's report appended below.

David Rigby  
Clerk/RFO, Copythorne Parish Council  
February 20<sup>th</sup> 2021



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**11 February, 2021**

The Parish Clerk

Copythorne Parish Council

9 The Cleeves,

Totton,

Southampton,

SO40 8WL

Dear Mr Rigby

### **Interim Internal Audit Report**

#### **Copythorne Parish Council – April 2020 to December 2020**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2020-21 Annual Governance and Accounts Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).



### **Internal audit checks**

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the review.

During this review we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Insurance
- Budgets and Reserves
- Payroll
- Transparency of the Council website
- Website Accessibility Regulation 2018.

### **Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Council maintains its books and records on spreadsheets
- The Clerk is aware of the requirements of GDPR
- The Council is registered with the ICO
- Details of total payments authorised at meetings
- All records were up to date and easy to follow
- The budgeting process is detailed and thoroughly monitored throughout the year
- The Reserves of the Council are adequately detailed and recorded
- Bank reconciliations are carried out promptly each month and were accurate
- The Council takes an active scrutiny role
- The Insurance is appropriate for the size of the Council
- Salary payments to the Clerk are correctly calculated.
- A scheme of delegation has been operating during the Covid19 pandemic
- The Council comply with the Transparency Code Regulation 2015.

## Recommendation

- There are no formal recommendations from this interim internal audit review.

## Other matters to be brought to the Council's attention

- The Council have reviewed its risks for 2020/21 at a Full Council meeting on 09 February 2021. This records the risks associated with the Covid 19 pandemic.
- It is our opinion that the Council has carefully considered its budget and Precept setting for 2021/2022 as decisions made in January 2021 will affect the financial health of the Council until March 2022.
- Any likelihood of any change in New Forest District Council tax base for 2021/2022 would also have an effect on the Council's ability to sustain its current level of service provision if the Precept level were not increased for 2021/2022. This would further impact on whether the Council might need to reconsider the facilities it offers if the reserves could not sustain the financial security of the Council. *(Audit Note: We note that the Council have increased its Precept for 2021/2022).*
- We have noted the Council have an opportunity to review their Insurance to consider additional cover for Cyber Insurance. *(Audit Note: This was discussed in more detail with the Parish Clerk at the close of audit).*
- We are pleased to report the Council have considered and completed a Covid 19 business continuity plan/risk assessment.
- The Clerk will need to ensure that the Assets Register is reviewed as at the 31 March 2021 to ensure that the details of all new purchases have been recorded and to ensure these can be accounted for when completing Box 9 of the Accounting Statements on the AGAR 2020/2021.
- The Website Accessibility Statement is currently "work in progress" and is being completed by the TLC website provider. On completion, it will be uploaded and displayed on the Council Website to comply with the requirements of the Website Accessibility Regulation 2018 that was introduced on the 23 September 2020. *(Audit Note: It is recommended that the Accessibility Statement should record that scanned pdf documents do not comply with the Accessibility Regulations, but these documents can be provided in an alternative format or on alternative media, on request).*
- We are pleased to report that the Parish Clerk was able to provide evidence of the posting date for the Exercise of Public Rights in 2020 so we are able to answer "Yes" to Objective M on the Internal Audit Report (AGAR) for 2020/2021.

## Conclusion

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Copythorne Parish Council.

## Next review

The next internal audit review has been arranged for **Tuesday 25 May 2021**.

At this review detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Asset Register
- Website Accessibility Statement 2018
- End of Year Procedures

**Next Steps**

This report should be noted and taken to the next meeting of the Parish Council.

Tim Light FMAAT  
Internal auditor