

Rawdon Parish Council Remote Internal Audit report for the year ending 31st March 2022.

Introduction

My role as your internal auditor is to make sure that there are robust controls in place which ensure that a council is functioning effectively. Internal auditing is an independent assurance activity designed to improve an organisations operation. It helps an organisation accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of this audit is to look at the policies and procedures currently in place, to examine financial transactions in 2021/22 and to make recommendations for improvement. The conclusions reached from the audit will be based on the information given to me by Lis Moore, Parish Clerk and Responsible Financial Officer. The audit will start with a zoom session to facilitate a discussion of the year being audited and all the necessary paperwork will be scanned and emailed to me.

At the close of the audit, I will complete the internal audit page of the Annual Governance and Accountability Return (AGAR). As usual, the output from this audit, which is my report should go to full council and be discussed and the recommendations considered.

The Audit

In line with my normal practise the audit began with an examination of the recommendations from my last audit. The actions taken regarding each recommendation is noted in italics.

- The internal control checks to be conducted bi-annually in October and February. *Now actioned.*
- All payments such as the in-bloom payment to have an improved audit trail.
- The spend of the CIL monies is becoming more pressured and the Council should discuss timely the affordability and the timing of this capital project. *Lis and I discussed this in detail, and I was satisfied that progress was being made.*
- Staff should have annual appraisals. This process is behind, and consideration should be given to them being conducted as soon as possible. *Lis has had her appraisal and Drew's appraisal is being planned and will take place shortly.*

Council Minutes

I examined the minutes for the year being audited (April 2021 to March 2022) and noted the issues and challenges faced by the Council.

I noted good practice documented within the minutes regarding internal controls. It is encouraging to see a Council review its internal controls to ensure that they remain effective.

All queries I had from the minutes were satisfactorily answered by Lis.

Councillor's DPI's

Rawdon Parish Council has nine councillors. I looked at the website to ensure that all councillors had a completed DPI form. I found that two of the councillors did not have their DPIs on the Council website and Lis said that she would ensure that they were put on as soon as possible.

Policies and procedures

The combined Standing Orders and Financial Regulation Policy had been reviewed in March 2021 and is on the website.

The Risk Assessment Policy has been updated and Lis sent me a copy which I found fit for purpose. It had been updated during the year being audited.

I had noted good practice in that the Council has an effective system for reviewing its internal controls. Section 1 of the AGAR states that a Council must maintain an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and to review its effectiveness. This check is maintained by listing controls in operation and reviewing them to ensure they remain fit for purpose.

Appropriate books of Account

Lis emailed me all bank statements for the fiscal year and from these I chose a random sample of invoices to check. All invoices were for appropriate Council expenditure.

At the year-end there was £30,820.99 (this is a net amount after considering the unrepresented cheques of £6,054.02) in the current account of the Council and £85,599.76 in the CCLA investment account. I checked this to the cash book and found it to be accurate.

The 2021/22 year-end carry forward is £116,420.75. Lis and I discussed this amount and the reasons that the Parish Council, to continuing to carry forward substantial amounts. The carry forward includes £45,321.70 of unspent Community Infrastructure Monies (CIL) and plans are in place to spend these funds before the deadline. I understand that there remains a year in which to spend them. The Car Park Project has not been completed yet and there have been fundamental changes to how it will be delivered. It will be much cheaper than first envisaged.

Public monies should not be carried forward year on year for no discernible purpose but should be spent on the Community. There are plans in place for the future spend of these monies which will be of benefit to the Community.

The Council reclaim the Value Added Tax (VAT) paid annually. I noted that the Council had received a VAT reimbursement in April 2021 for £2,451.53. Lis had put in the claim for 2021/22 on the day of the audit for £3,150.88. I found this area to be satisfactory.

I examined the Asset Register and found it fit for purpose.

Website

I was pleased to note a much-improved website to which content is still being added. I found it easy to navigate and found the information needed for the audit. This included the Annual Governance and Accountability Return (AGAR) for 2020/21 which included the provision of public rights during the summer of 2021. This requirement is now an internal control objective on the AGAR so must be checked.

Annual Return

As part of the audit process, I complete page 3 of the AGAR. This contains a listing of internal control objectives, and my audit determines if they have been achieved. I found a good accounting system in operation, and I was able to tick all areas of this page of the AGAR positively.

Conclusion

Rawdon Council is a good Council operating effective and robust financial controls. Cheques remain in the operation and On-line banking will be considered in the future. I only had one recommendation from this audit and that was that Councillors DPIs should be on the Parish Council website as well as that of Leeds City Council.

I am retiring this year, and this is my final year as your auditor. I would like to thank Lis for her help during the auditing process and to wish Rawdon Parish Council all the best for future.

Diane Brown- Rawdon Parish Council Internal Auditor 21/04/2022