

INTERNAL AUDIT REPORT
For the year ended 31st March 2021

To

Munslow Parish Council

I have carried out an internal audit in accordance with the Council's needs, and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

Internal Audit Opinion

In my opinion the controls in place were sufficient for the Council's purposes during 2020/21; however there are areas where improvement can be made for the future.

1. Appropriate books of account during the year (control objective a)

The council maintains a cash book which is regularly reported to council. However there were a few minor errors during the year which have been adjusted so as to agree with the bank statement.

Recommendation

The regular report to council of the finances should show and include a reconciliation of the balances to the bank statement

2. Significant risks to achieving the Council's objectives (control objective c)

The Council has a parish plan which shows its main objectives; however the Council does not appear to have a risk register, listing those objectives, the risks to achieving those objectives and controls in place to reduce the risk or ameliorate adverse affects.

Recommendation:-

The Council should consider and set up a risk register and regularly review it. This should include risks to finances, objectives, assets and any other areas that concern the council.

3. Petty cash (control objective f)

The Council does not operate a petty cash account.

Recommendation:-

The council should continue not to operate petty cash.

4. Salaries and Paye have been correctly accounted for. (control objective G)

The PAYE for the clerks salary is now paid directly to HMRC monthly in accordance with the regulations.

5. The Councils website (control objective L)

The Transparency agenda, which is now statutory, requires information to be published on the council's webpage.

It is recommended that :-

The following documents be placed on the website.

Standing orders,

Financial regulations

Also the council should consider placing the following on the website

Asset register

Risk register

6. Trust funds (control objective O)

The Council does not hold any Trust Funds, however it does have the role of custodial trustee of Beambridge Village Hall.

It exercised its responsibilities in the year as evidenced by the review of the change of the lease of the hall, and the action taken.

It is recommended that :-

The council request the management committee provide a report of finances and future plans for the hall at least annually, so that the council can plan accordingly.

Other points

1. reserves

The council had an election during 2019/20, and a sum was set aside to pay for this. This was subsequently paid in 1920/21

A reserve has been set up for the speed control monies received from the police.

The Council had the following funds on 31st March 2021

Funds

Environmental maintenance	£ 694.56	
Community infrastructure	£ 1,587.33	
<u>Pcc speed control reserve</u>	<u>£ 4,564.00</u>	
Ring fenced reserves		£ 6,845.89
<u>General fund</u>		<u>£ 8,100.64</u>

Total funds £ 14,946.53

Assets

Bank Account	£ 15,202.09	
<u>Less unrepresented cheques</u>	<u>-£ 255.56</u>	

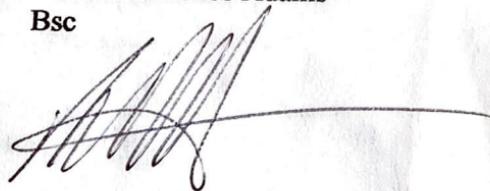
Total Assets £ 14,946.53

The council may wish to consider if the ring fenced reserves are appropriate,
and whether any further reserves need to be set up.

Audit and report prepared by

Kevin Lawrence Adams
Bsc

Date 18th April 2021

A handwritten signature in black ink, appearing to read 'K. Adams', with a long horizontal line extending to the right.

Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to the column headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are on a credit and payments basis. Please complete the highlighted boxes, remembering that un-presented cheques should be entered as negative numbers.

Name of smaller authority: **Munslow Parish Council**

County area (local councils and parish meetings only):

Financial year ending 31 March 2021

Prepared by (Name and Role): **Heather Coonick (Clerk/RFO)**

Date: **14/09/2021**

		£	£
Balance per bank statements as at 31/3/21:			
	account 1	14,976.5	
	account 2		
	account 3		
	account 4		
[add more accounts if necessary]	account 5		
	account 6		
	account 7		
	account 8		
			14,976.5
Petty cash float (if applicable)			-
Less: any un-presented cheques as at 31/3/21 (enter these as negative numbers)			
	549	(30.00)	
	item 2		
	item 3		
	item 4		
[add more lines if necessary]	item 5		
	item 6		
	item 7		
	item 8		
			(30.00)
Add: any un-banked cash as at 31/3/xx			
			-
Net balances as at 31/3/21 (Box 8)			<u>14,946.5</u>

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
Environmental Maintenance	694.56		
PCC Speed Sign	4564		
Community Infrastructure	1587.33		
Transparency Fund	0		
Elections	0		
Reserve 6			
Reserve 7			
		<hr/>	
		6845.89	
General reserve	8100.64		
		<hr/>	
		8100.64	
Total reserves (must agree to Box 7)			<hr/> <hr/> 14946.53

Explanation of variances – pro forma

Name of smaller authority: **Munslow Parish Council**

County area (local councils and parish meetings only):

Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2019/20 £	2020/21 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	12,575	9,552				Explanation of % variance from PY opening balance not required - Balance brought forward does not agree, query this	
2 Precept or Rates and Levies	3,751	5,633	1,882	50.17%	YES	To pay for election costs	
3 Total Other Receipts	63	4,609	4,546	7215.87%	YES	Grant for Speed Activated Sign	
4 Staff Costs	2,779	2,350	-429	15.44%	YES	Unknown	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	4,328	2,497	-1,831	42.31%	YES	Unknown	
7 Balances Carried Forward	9,282	14,947			YES	VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS	
8 Total Cash and Short Term Investments	0	0				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	6,688	6,688	0	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

TREASURERS ACCOUNT
PARISH COUNCIL MUNSLOW

Account summary

Balance On 30 Mar 2021	£15,202.09
Total Paid In	£0.00
Total Paid Out	£225.56
Balance On 31 Mar 2021	£14,976.53

Account activity

Date	Payment Type	Details	Paid In (£)	Paid Out (£)	Balance (£)
30 Mar 21		STATEMENT OPENING BALANCE			15,202.09
31 Mar 21	CHQ	000546		186.36	15,015.73
31 Mar 21	CHQ	000547		39.20	14,976.53
31 Mar 21		STATEMENT CLOSING BALANCE	0.00	225.56	14,976.53

The "Details" column in your statement shows the date that a Debit Card payment went into or came out of your account only if that happened on a weekend or a Bank Holiday.

Payment types:

CHQ - Cheque

PJE10GHH3100000

M32B510BAA2 D32B510BAA2

Page 1 of 4 / 0001622 / 0007817