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6 May 2022

The Parish Clerk and Responsible Finance Officer (RFO)

Hollinswood and Randlay Parish Council

Hollinswood Neighbourhood Centre

7 Downemead

Hollinswood

Telford

Shropshire, TF3 2EW

Dear Katrina

Final Internal Audit Report

Hollinswood and Randlay Parish Council – April 2021 to March 2022

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 2021-22 Accountability and Governance Annual Return (AGAR).

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

- 'Accountability and Governance for Smaller Authorities – A Practitioners' Guide (England)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

Background

Hollinswood and Randlay Parish Council has income and expenditure of between £300,000 and £320,000 in 2020/2021 and was subject to a limited assurance review by the External Auditor, PKF Littlejohn. The Council had a clean annual report from the external auditor for 2020-21.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on AdvantEdge Software.

The Parish Council are using AdvantEdge Software for 2021/2022 financial year. All transactions for the year 2021/2022 were recorded on the software and its continued use will provide the Parish Council with an effective system to record its financial transactions and budget information.

It was agreed with the Parish Clerk and Responsible Financial Officer (Clerk/RFO) that the Internal Audit review would be carried out remotely, but consultations have continued by video link and telephone conference calls. The Clerk/RFO has also allowed access to the information for the period April 2021 to March 2022 from the AdvantEdge Software to support the current governance and financial management position of the Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

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 audit 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
- End of Year Procedures

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 that is being followed

- The Council maintains its books and records on AdvantEdge software
- The Clerk/RFO continue to be aware of the requirements of GDPR and the Council is registered with the ICO
- All financial input is up to date and easy to follow
- Income records are correctly recorded in the AdvantEdge software
- The budgeting process is detailed and thoroughly monitored throughout the year
- Sufficient Reserves are held by the Parish Council.
- PWLB payments have been made correctly in the 2021/2022 financial year.
- Each invoice is checked by the Clerk/RFO and matched to a purchase order.
- Invoices are initialled and approved for payment by the Clerk/RFO, Finance Officer and two Councillors
- Minutes of Council meeting record details of approval and decisions.
- 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.
- Payments to HMRC for National Insurance and PAYE are made regularly
- The Asset Register is up to date and correctly records the items owned by the Council
- VAT reimbursement claims are submitted to HMRC on a regular basis

Recommendations

No formal recommendations have been made from the Internal Audit Review.

Other matters to be brought to the Council's attention

- We have confirmed that the Risks of the Council were reviewed in 2021/2022 and approved at the full Council meeting in February 2022.
- The Parish Council have approved and adopted that the Asset Register is correct as at the 31 March 2022. Details of all new purchases or disposals have been recorded and accounted for when completing Box 9 of the Accounting Statements on the AGAR 2021/2022.
- The Council remain compliant with the Transparency Code Regulation 2015.

End of Year Procedures 2021/2022

- A full check was carried out on the End of Year documentation provided by the Clerk/RFO to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15%

between 2020/21 and 2021/2022 shown on Section 2 of the AGAR as required by the External Auditor.

- The 2021/2022 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations during 2021/2022.

- This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.
  (Audit Note; We are pleased to report that the Parish Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).

- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

We are pleased to report that the various records and procedures in place for the Council provide an appropriate standard of control.

Next Steps
This report should be noted and taken to the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

Tim Light FMAAT
Internal auditor