

**INTERNAL AUDIT REPORT**

**TO**

**COFTON HACKETT  
PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2021 - 2022**

**Prepared by: Bill Robinson**

**Issued May 2022**

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### **Statement of Responsibility**

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Cofton Hackett Parish Council

This report has been prepared solely for Cofton Hackett Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



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## Cofton Hackett Parish Council Internal Audit for the Financial Year 2021 - 2022

This Internal audit was carried out on 18<sup>th</sup> May 2022, at Cofton Hackett Parish Council office..

### Accurate book keeping

- Entries to the cashbook spreadsheet were checked and found to be up to date and correct.
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

### Payments

For year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022

<b>Payment No.</b>	<b>Minute ref.</b>	<b>Payee</b>	<b>Amount</b>
EP0301	053.4/21	Cofton Spark	£600.00
EP0311	053.4/21	N.Power	£46.12
EP0315	053.4/21	G.Haynes	£60.00
EP0317	068.4/21	M.Harrington	£80.00
D.Debit	068.4/21	Haven Power	£230.17
S.Order	068.4/21	HMRC	£154.80
EP0328	083.6/21	Village magazine	£180.00
EP0334	083.6/21	G.Haynes	£240.00
EP0338	083.6/21	Proper Agency	£30.00
EP0349	098.5/21	G.Haynes	£250.00
S.Order	098.5/21	HMRC	£198.18
EP0353	119.5/21	Cofton Spark	£370.00
EP0355	119.5/21	G.Haynes	£350.00
EP0358	134.7/21	PKF Littlejohn	£480.00
EP0365	134.7/21	Cofton Spark	£300.00
EP0368	147.6/21	Gallagher	£4992.28
EP0369	147.6/21	Kompan	£2867.40
EP0376	162.8/21	J.Webb	£66.00
EP0381	162.8/21	Cofton Spark	£320.00
D.Debit	008.6/21	Unity Trust	£24.00
EP0388	008.6/21	Kompan	£3130.00
EP0390	008.6/21	G.Haynes	£300.00

<b>Payment No.</b>	<b>Minute ref.</b>	<b>Payee</b>	<b>Amount</b>
EP0392	023.6/21	Cofton Spark	£1015.00
EP0396	023.6/21	G.Haynes	£300.00
EP0400	038.7/22	Ridge Property Consult	£840.00
EP0400	038.7/22	G.Haynes	£130.00

All identified cheque audit trails were satisfactory

All payments made were referenced to the individual bank statements and found to be correct.

### **Receipts.**

It was noted that all receipts shown were properly accounted for.

### **Budget and Precept Controls**

It was noted that the Clerk produces a monthly bank reconciliation detailing all payments and expenditure, which is signed by Councillors – this is good practice.

It was noted in minute 134.4/21 that a draft budget for 2022-23 was discussed in October – good practice to start budget discussions early.

Noted in minute 147.2/21 that a revised draft budget was agreed

It was noted in minute 153.2/21 that the budget presented to the Council by the Clerk/RFO for the Parish Council was reviewed, revised, and accepted

It was noted in minute 008.1/22 that the precept demand from the billing authority was approved – this is good practice.

It was noted that Cofton Hackett Parish Council now utilises Unity Trust Bank to facilitate electronic payments.

### **Income Control**

It was noted that receipts were banked promptly, and the receipts and payments spreadsheet satisfactorily checked monthly against the bank statements.

It was noted that outstanding VAT repayments are made on a six monthly basis.

### **Receipts and Payments spreadsheet**

The receipts and payments spreadsheet was checked and found accurate to the figures shown.

It was noted that the reconciliation figures as shown in the spreadsheet are signed by the RFO, Chair – Finance, and a non - signatory member, this is a good safeguard system.

It might be in the Parish Council's interest to consider utilising a bespoke financial package system for its receipts and payments, this will give a measure of continuity should the Clerk/RFO suddenly be unable to carry out his financial functions.

### **Year end Accounts**

The year end accounts were checked and found to be arithmetically correct to the figures shown to the internal auditor and properly reconciled to the bank statements.

The Internal Auditor report page 3 of the AGAR 2021-2022 was signed by the internal auditor.

### **Petty Cash**

It was noted that Cofton Hackett Parish Council holds no petty cash, this fact will be reported in a separate letter for the external auditor.

## **Payroll**

It was noted that the Parish Council has been registered as an employer with HMRC and the Clerk identifies all PAYE and NICS to HMRC using the basic PAYE tools software and a summary of payments was seen.

It was noted in minute 038.1/22 that the Clerks salary for the financial year 2021-2022 has been agreed – good practice.

It was noted that the Parish Council meets its obligations with the Pensions Regulator.

## **Sec 137 payments**

It was noted that the Sec.137 payments for the financial year 2021-2022 was £320 well within the statutory limit for Cofton Hackett Parish Council.

## **Minutes of the Parish Council meetings**

All minutes checked, and found to be satisfactory, with no unusual activity.

It was noted in minute 061/21 that the Chair and Vice Chair of Cofton Hackett Parish Council were properly elected and signed that acceptance of office forms.

It was noted in minute 061/21 that individual Cllrs. agreed to continue in their roles for the Environment & Highways; Finance & GP; Planning groups (incl.Greenbelt and new developments) – it is good practice to formally agree all Councillor roles.

It was noted that Cllr.Banyard will lead the Communications Group

Noted that Cllr.McGarry will shadow Cllr.Pattison on Play area inspections – this is good policy.

It was noted on minute 072.2/21 that a full review of the website will be undertaken.

## **Parish Council Agendas**

It was noted that all agendas were properly signed and dated.

## **Financial Regulations**

It was noted in minute 098.1/21 that financial regulations were reviewed and approved - it is good practice to review these regulations for effectiveness on a regular basis.

It was noted in minute n147.1/21 that the Financial Regulations were amended to meet Cofton Hackett Parish Council's requirements.

It was noted in minute 162.1/21 That a revised Financial Regulations were approved.

## **Standing Orders**

It was noted that the Standing Orders were reviewed and approved in September 2021.

## **Insurance**

It was noted in minute 119.2/21 that the Parish Council has entered into a three year insurance agreement with Gallagher.

## **Risk assessment**

### **Physical**

It was noted that a monthly inspection of play areas was undertaken by a Cllr, with the results recorded and filed by the Clerk/RFO – this is good practice and the Council is to be commended

It was noted in minute 162.2/21 that a revised risk assessment document has been approved – good practice.

Noted in minute 039.3/22 that an annual inspection of the play area will be undertaken by ROSPA – good practice

### **Financial**

It was noted that a financial risk assessment document exists, but it is unclear that it is reviewed on a regular basis – this should be an integral part of Parish Council business.

It is noted that the Parish Council has allotments and it is unclear that a specific risk assessment for the allotment users exists, it would be in the Parish Council's interest to talk to its insurer to ascertain its views on risk assessments for allotments. Given that it was noted in minute 162.3/21 that an increase in allotment rentals was approved by the Parish Council a specific risk assessment for the allotments would appear to have some urgency.

It is not clear that the Parish Council has looked at the risk to the Council were the Clerk/RFO to be suddenly unable to carry out his function. It would be in the Council's interest to determine whether the County Association has a policy regarding potential locum arrangements, and whether local Clerks would be willing to assist in the short term. At the same time the Parish Council should consider whether a bespoke financial software package for the accounts would be of benefit in that scenario.

### **Asset Register**

It was noted in the accounts spreadsheet that an updated asset register has been compiled and matches box 9 on the Accounting Statement.

### **General Power of Competence**

It was noted in minute 082.1/21 that the Parish Council met the criteria for the General Power of Competence and took that power for itself – this is good practice.

### **Parish Council Website and Policies**

The Parish Council website is easy to access and all Council policies are held within the website it is good practice that all parishioners have the opportunity to look at all Council policies – the Council is to be commended.

It was noted in minute 038.4/22 that the Document Retention policy was approved

It was noted in minute 038.5/22 that a Social Media policy was approved.

### **Contracts**

It was noted in minute 039.10/22 that the Lengthsman contract was renewed.

### **Delegation of Powers**

This document was seen on the website and is a thorough document, however it might be in the Council's interest to add a short paragraph detailing specific delegation regarding planning matters where the Council cannot meet before planning comments on specific applications have to be sent to the planning authority

### **Conclusion**

Whilst undertaking the Internal Audit, it is apparent that Clerk is carrying out his function in a proper manner and in line with the Governance and Accountability Practitioners Guide.


Where I have commented on future actions, these are not criticisms per se rather only for Cofton Hackett Parish Council to consider whether they will assist in the financial management of the Parish Council

It will be noted that in the Internal Audit Report 2021/22 of the AGAR Return 2021/22 Part 3 the internal auditor marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Cofton Hackett Parish Council it means that there is no petty cash,

It will be noted that in the Internal Audit Report 2021/22 of the AGAR Return 2021/22 Part 3 the internal auditor marked item K as Not Covered. This does not imply that there is anything untoward regarding the Parish Council, rather this is a response required by the external auditor and in the case of Cofton Hackett Parish Council it means that item K is not applicable,

A letter to PKF Littlejohn to that effect has been added by the internal auditor.

This concludes the Internal Audit.

Signed.....  Dated... 11th June 2021