

**INTERNAL AUDIT REPORT
WOOLSTON PARISH COUNCIL
2021/2022**

The internal audit of Woolston Parish Council was carried out by undertaking the following tests as specified on the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion on the Annual Return for larger councils.

Conclusion

On the basis of the internal audit work carried out, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The financial regulations on contracts set the level for a formal tender process as £5000. This is not consistent with the Standing Orders which sets the level at £25,000.</p> <p>The NALC model financial regulations recommend a value of £25,000 for a formal tender process with £3,000 as a level for obtaining three quotations.</p>	<p><i>The Council should review the financial regulations and standing orders and ensure that they are consistent with each other.</i></p>	
Follow up of 2020/21 internal audit recommendations			
1	<p>An asset has been added to the asset register that was purchased in 2012. This has increased the value of fixed assets to £44682.</p>	<p><i>The 2019/20 asset balance should be restated to £44682 (RESTATED should be written at the top of the 2019/20 column and an explanation should be provided to the external auditor as to what has been restated).</i></p>	Implemented
2	<p>We have not seen evidence that the 2019/20 notice of conclusion of audit was published on the Council's website as required by the 2019/20 AGAR.</p>	<p><i>The Notice of conclusion of audit for 2020/21 must be published on the website before 30th September 2021 and evidence such as a dated screenshot should be retained for the 2021/22 audit.</i></p>	Implemented