

# Form 3PM Annual Internal Audit Report 2021/22

## Beaudesert & Hneley in Arden Joint Parish Council

During the financial year ended 31 March 2022 the Parish Meeting's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this Parish Meeting's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this Parish Meeting.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This Parish Meeting complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C. This Parish Meeting assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
D. The precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. If the Parish Meeting certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the Parish Meeting had a limited assurance review of its 2020/21 AGAR tick "not covered")	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
M. The Parish Meeting has demonstrated that during the previous year (2020-21) it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by: confirmation by the Chairman that the notice has been published on a suitable website or publicly displayed in the local area.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. The Parish Meeting has complied with the publication requirements for 2020/21 AGAR. (See AGAR Page 1 Guidance Notes).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For any other risk areas identified by this Parish Meeting adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

1/3/22, 10/12/21, 12/10/21

Name of person who carried out the internal audit

Bob Morgan [IA]

Signature of person who carried out the internal audit



Date 29/4/22

see additional notes

\*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

## Beaudesert & Henley in Arden JPC

### Additional Internal Audit Notes to Form3PM 21/22

#### Objective B;

Internal Audits show that the JPC has worked in breach of it's Financial Regulations. It was also noted that from November 21 through to April 22, the JPC failed to give public notice for its meetings as required by the Local Government Act 1972. This has the effect of making Council decisions, including financial ones, lack legal standing.

#### Objective C;

The last full Risk Assessment was approved on 27<sup>th</sup> January 2020 and has not been updated since. This is despite significant changes within the scope of the JPC's responsibilities – including the introduction of an "Outdoor Gym" and improvements to a Children's Play area. The Council did produce what it described as a Financial Risk Assessment in September 2021 but this doesn't meet the requirements.

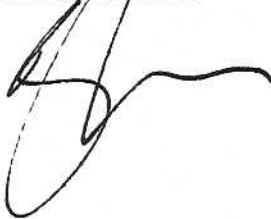
#### Objective F;

The JPC does not use or accept cash.

#### Objective H;

The Asset Register is dated 11<sup>th</sup> January 2021 and is no longer up to date.

Bob Morgan  
Internal Auditor



29<sup>th</sup> April 2022



## **Beaudesert & Henley in Arden JPC – Internal Audit Meeting 25<sup>th</sup> April 2022**

Present; Bob Morgan, Ray Evans

### **VAT Accounting;**

As required by the Internal Audit Guidelines, the procedure for accounting for VAT was reviewed,

The accounting software used by the JPC gives the opportunity to note VAT charges on the Income and Expenditure report. This report was reviewed and found to show the appropriate identification of VAT charged to the JPC - by law the JPC does not itself charge VAT.

The VAT charges shown in the report are then used to complete the VAT return and this was checked during the audit.

Since the VAT return is based on the Income and Expenditure report, for completeness, it is necessary to reconcile this report to the Bank Statements.

This reconciliation is in any case required by the JPC's Financial Regulations and the RFO has been doing this on a monthly basis. The Financial Regulations also require this reconciliation to be checked and countersigned by the Chair of the JPC but this is not being done consistently.

Bob Morgan  
Internal Auditor

29<sup>th</sup> April 2022