

Annual Internal Audit Report 2020/21

TINTAGEL PARISH COUNCIL

www.tintagelparishcouncil.gov.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority'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 authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.		✓	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.			✓
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.		✓	
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.		✓	
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")</i>			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

19/07/2021

26/07/2021

29/07/2021

Linda Coles

Signature of person who carried out the internal audit

Linda Coles

Date

29/07/2021

*If the response is 'no' please 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).

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Explanation of Page 3 responses:

Box A – No - *A Cashbook has not been kept. Although invoices, payments and income were listed on several separate spreadsheets these did not correlate to the bank statements, some not being listed and therefore the totals shown on the sheets did not compare to the bank statements showing the actual position.

Action: A cashbook is now being kept that records all income and expenditure.

Box C – No - *The Authority has not assessed the significant risks or reviewed the adequacy of arrangements to manage these.

Action: A full Risk Assessment to be carried out as soon as possible.

Box D – No - *There was no evidence of an adequate budgetary process, nor progress being monitored against a budget. The reserves are not appropriate for the expenditure expected.

Action: To complete and approve an adequate budget, to include appropriate reserves, for future years. To monitor progress against the budget at least quarterly.

Box E – No - *Income was showing on the bank statements but not properly recorded.

Action: A complete cashbook to be kept in future.

Box F – Not covered - **This Authority has no petty cash.

Box G – Not covered – **The Authority used a separate company to pay the Clerk. However, there is no paper audit to show what was paid apart from that shown on the bank statements. There is no evidence of approval of the salary payments in the Minutes.

Action: RTI HMRC will be used in future by the Authority to record salaries and PAYE.

Box H – No - *The Asset Register had reduced significantly but had not been updated.

Action: An updated Asset Register is being completed.

Box I – No – *Whilst some of the Authority's Minutes reflect payments and bank balances, there is no evidence of periodic bank reconciliations. If these had been carried out the anomalies between the bank statement totals and the spreadsheets would have been identified.

Action: Monthly bank reconciliations will be carried out in future.

Box J – No – *As covered by explanation to Box A and Box I.

Box K – Not covered – **This Authority has a limited assurance review in 2019/20

Box L – Not covered – **This Authority has a turnover in excess of £25,000

*Linda Coles
Internal Auditor
29th July 2021*