

# WICKERSLEY PARISH COUNCIL

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## Internal Audit Report 2021/2022

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## **Background and Scope**

The Accounts and Audit Arrangements introduced with effect from 1<sup>st</sup> April 2015 require all Town and Parish Councils to implement an independent internal audit examination of their Accounts and accounting processes annually. The Council complied with the requirements in the terms of independence from the Council decision making process appointing Voluntary Action Rotherham to provide an internal audit function to the Council; this report sets out those areas examined during the course of our investigation of the Council's Accounts and Accounting processes for 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

## **Internal Audit Approach**

The audit has been conducted in accordance with the direction of the Council set out in the approved minutes of the Council meeting held on 26 April 2021. The audit is not designed to identify all significant weaknesses in the Council's systems but, if such weaknesses come to our notice during the course of our examination, which we think should be brought to your attention; we shall report them to you.

The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council. The audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as might exist.

In accordance with guidelines set out by the Governance and Accountability for Local Councils – practitioners' guide, our work plan consisted of an investigation to review whether the systems of financial and other controls over the Council's activities and operating procedures are effective. Areas covered by the testing included;

- Bookkeeping
- Due Process
- Risk management arrangements
- Budgetary controls
- Payroll control
- Petty cash
- Asset control
- Bank reconciliation
- Year-end procedures
- Miscellaneous

## **Findings**

The internal audit was carried out off site, all records and evidence were provided by the Clerk either electronically or in paper format. The details of Internal control testing and findings can be seen in appendix 1 and any audit recommendations have been agreed with the Clerk/RFO.

I am pleased to note that the points raised at the last audit have been addressed other than the insurance valuations and disposal information being added to the asset register.

The following recommendations/points should be addressed:

### **Proper Bookkeeping**

Internal controls were reviewed in April 2022. The Clerk advised that the Chair of Finance periodically reviews expenditure but there was no evidence of this on the invoices. Regular checks should be carried out and a members audit stamp or signature and date should be recorded.

### **Risk Assessment Arrangements**

Unable to verify correct levels of insurance are in place for most items on the asset register, as advised in 2021 ensure insurance valuations are included on the asset register.

### **Payroll Controls**

There was no evidence of annual salary review or pay reviews being approved by the Council. This should be approved and minuted by full council.

### **Asset Control**

Unable to verify whether assets have been disposed and whether appropriate procedures have been followed as there is insufficient information on the asset register. Include disposals and date of disposal on future asset registers.

### **Miscellaneous**

The publication requirements of the AGAR require two separate processes. Information to be publicised unaudited and then further information to be publicised after the limited assurance review. As stipulated on the AGAR, section 1 and 2 of the report including any amendments should be published on the Council's website before 30 September. The Clerk failed to do this. Raised this with the Clerk who was advised by the external auditor not to make changes to the AGAR and to amend prior year figures the following year.

I contacted the external auditor for clarification on this matter and they advised that as external auditors they would not re-look at the AGAR once their audit was closed, however they agreed that the AGAR does stipulate changes should be made. The external audit provider is to raise this with Smaller Authorities Audit Appointment and clarify for future years. Although the Clerk failed to re-publicise section 1 and 2 of the report after changes I have answered 'yes' to section N of the Internal Audit Report as the Clerk was following advice.

### **Conclusion**

I am pleased to conclude and report that the Clerk has maintained a satisfactory standard of record keeping that has simplified the audit process. I have confidence that the figures lifted into the Statement of Accounts for the financial year ended 31st March 2022 are accurate.

All of the controls contained within the internal audit section of the AGAR were examined and no non-compliances were found.