

CLYMPING PARISH COUNCIL
(Arun District, West Sussex)

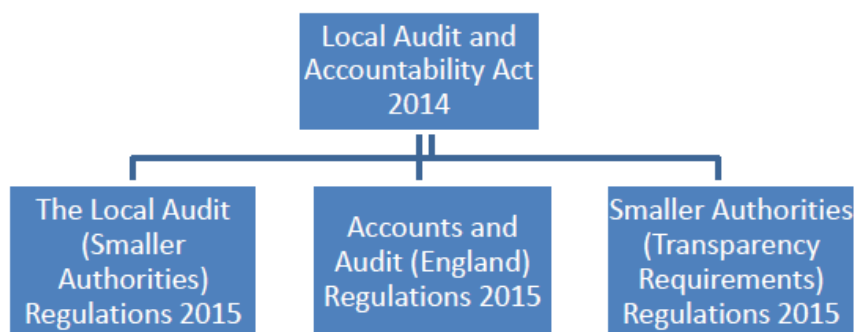
INTERNAL AUDIT REPORT

FOR THE YEAR ENDED 31 MARCH 2022

LEGISLATIVE FRAMEWORK

An internal audit of the Parish Council's financial and procedural records for the year 2020/2021 was undertaken during the period 26th April to 8th May 2022.

The main sets of legislative Regulations that are of significance to smaller local authorities are:-



The audit was undertaken in compliance with the requirements of the Accounts and Audit (England) Regulations 2015, and in accordance with the agreed and accepted audit plan.

Regulation 3 of the Accounts and Audit (England) Regulations 2015 provides that the Parish Council must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; and
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk

Regulation 5 of the Accounts and Audit (England) Regulations 2015 provides that the Parish Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and any officer or member of the Parish Council, if required to do so for the purposes of the internal audit shall -

- (a) make available such documents and records; and
- (b) supply such information and explanations.

The Smaller Authorities (Transparency Requirements) Regulations 2015 provides the following information must be published on a website which is publicly accessible and free of charge to view;

- Annually by no later than 1st July
 - 1) All items of expenditure above £100

- 2) End of year accounts, annual governance statement and internal audit report (as contained in the annual return). The end of year accounts should be accompanied by;
 - A copy of the bank reconciliation
 - An explanation of significant variances in the statement of accounts between the year of account and the previous year
 - An explanation of any differences between 'balances carried forward' and 'total cash and short term investments', if applicable.
 - 3) A list of councillor or member responsibilities, and
 - 4) Details of public land and building assets owned by the smaller authority, if applicable.
- More frequently than annually;
 - 5) The draft minutes from all formal meetings (e.g. Council, Committee and Sub-Committees) – should be published not later than one month after the meeting has taken place
 - 6) Meeting Agendas and associated meeting papers – should be published not later than three clear days before the meeting is taking place.

The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

SCOPE

The audit included examination of the income and expenditure account for the year of account and review of relevant documentary evidence such as;

- trial balance and nominal ledger,
- bank account transactions,
- payments, in particular supplier invoices and expense claims,
- receipts,
- fixed asset register,
- agendas and minutes of meetings (via website)
- budgets,
- financial regulations,
- website (www.clymping.org.uk)

In addition the audit included a review of information published in compliance with the Transparency Code applicable to smaller authorities.

FINDINGS

- 1) Four transactions had been omitted from the records of receipts and payments for the year.

The transactions were;

- A debit of £349.00 to West Sussex CC on 26 April 2021 (salaries)
- A debit of £35.00 to Information Commissioners Office on 28 January 2022 (data protection fee)
- A debit of £387.21 to West Sussex CC on 31 March 2022 (salaries)
- A credit of £0.39 from National Westminster Bank on 31 July 2021 (interest)

The above transactions have been discussed with the Responsible Financial Officer (RFO), corrections agreed and year end balances reconciled.

Recommendation: The receipts and payments records should be periodically reconciled to bank and cash balances. It is suggested that this should be performed not less than at the end of each financial half-year in accordance with RFO's reporting requirement under the Council's Financial Regulation 4.8.

- 2) Six expenditure transactions incurred between 26 April and 10 May 2022 are not recorded as being reported to the Council in its Minutes. It is acknowledged that this occurred around the time that a new Clerk and RFO took up post and may have been due to misunderstandings during the transfer of responsibilities. All transactions thereafter have been reported to the Council and minuted.
- 3) The Council had followed correct procedures for the authorising of supplier invoices and other liabilities for payment and complied with its own Financial Regulations.
- 4) An annual budget had been prepared and approved by the Council to support the precept requested, and a variance analysis undertaken and reported.
- 5) The Council had reviewed its Financial Regulations, Standing Orders and risk assessments during the year of account.
- 6) The Council had correctly identified itself as a 'smaller authority' and may self certify as exempt from the requirement for a limited assurance review (e.g. external audit) under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015.

SUMMARY AND OPINION

In connection with my examination, and having regard to the items reported herewith, no matter has come to my attention that gives me reasonable cause to believe in any material respect that the regulatory requirements have not been complied with.

The accounting arrangements, procedural controls, records and documentary evidence are considered to be satisfactory, and accurately record the Council's financial position.

Signed:

Date: 9th May 2022

Rodney Cooper