

## **REPORT OF INTERNAL AUDITOR 2021-22**

### **CALBOURNE, NEWTOWN & PORCHFIELD PARISH COUNCIL**

#### **INTRODUCTION**

All Local Councils in England are required to complete an Annual Governance and Accountability Return (AGAR) summarising their financial records at the end of the financial year. The Annual Report of the Internal Auditor section of the AGAR needs to be completed by an Auditor who shall be independent of the Council. The Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

#### **SCOPE OF AUDIT**

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

- Matching of financial statements to invoices and receipts.
- Budget and Precept setting.
- Inspection of bank statements and bank reconciliation.
- Examination of minutes supporting expenditure.
- Completion of Risk Assessment.
- Compliance with Transparency Code

#### **FINDINGS**

1. Arrangements for PAYE are the responsibility of the Clerk, with deductions being paid to Her Majesty's Revenues & Customs on a quarterly basis.
2. The accounting record's, bank statement's and bank reconciliation for the year ended 31st March 2022 were examined and agreed. VAT on expenditure was accounted for correctly and is fully recoverable from HMRC.
3. The AGAR requires the Internal Auditor to be satisfied that the Council has reviewed the risks to not achieving its objectives. A review of the Risk Management Assessment was undertaken in the year and approved at the Council meeting on 21st January 2022.
4. The Council had set its precept following consideration of a budget process. The precept for the 2022-23 financial year was agreed at the meeting on the 18th November 2021 when a precept of £19,890 was approved.
5. The AGAR for the 2020-21 financial year was approved at the meeting held on 13<sup>th</sup> April 2021 and reaffirmed at the Annual Parish Council meeting in May 2021.
6. Calbourne Parish Council has in 2021-22 income of over £25,000 per annum and is therefore required to submit the full AGAR to the External Auditor. The Certificate of Exemption signed by the Chairman & RFO is not sufficient for the 2021-22 audit.

7. The Transparency Code for Smaller Authorities requires the publication of certain information on a website. On examination of information on the website, the Parish Council has provided a section of the website dealing with aspects of the Transparency Code and containing a policy document for compliance with the requirements of the code. It is my opinion that the information requirements as contained in the policy document satisfy the requirements of the code.

Presentation of the following documents on the website are requirements of the code and of AGAR in respect of the 2020-21 financial year –

1. Certificate of Exemption.
  2. Annual Report of the Internal Auditor section of AGAR.
  3. Section 1 of AGAR – Annual Governance Statement.
  4. Section 2 of AGAR – Accounting Statements.
  5. Analysis of variances.
  6. Year end bank reconciliation.
  7. Notice of the period for the exercise of public rights.
8. Major works were necessary in respect of Porchfield Hall and Calbourne Pump and the Parish Council was successful with two grant applications to fund Associated expenditure.

**Having regard to the above I am of the opinion that I have adequate assurance to complete and sign the Annual Internal Audit Report section of the AGAR.**



**Gareth Hughes CPFA**

**23rd May 2022**