

# **BOUGHTON MALHERBE PARISH COUNCIL**

## **INTERNAL AUDIT REPORT 2020-21**

---

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2020-21 and have been able to complete the Annual Internal Audit Report for the 2020-21 Annual Governance and Accountability Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to all the relevant questions contained in the Annual Internal Audit Report for 2020-21.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 4 May 2021.

### **PREVIOUS AUDITS:**

#### **External auditor 2019-20:**

The Council certified itself exempt from the limited assurance regime for 2019-20.

#### **Internal auditor 2019-20:**

Nothing to follow up from my report from 2019-20 or from my November 2020 report about the Grafty Green traffic calming proposals.

### **FINDINGS THIS VISIT:**

During the visit I carried out sufficient work to enable me to complete the Annual Internal Audit Report which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook. The minutes were reviewed for compliance with legislation and that they and the accounts are mutually consistent.

I found all the financial records to be accurate and up to date. The accounts statement in the Annual Governance & Accounts Return (AGAR) is consistent with the financial records. The accounts are also consistent with the minutes.

I discussed with the Clerk different approaches to online banking and the controls that may be needed depending on the option adopted. Single key operation (where one person sets up and authorizes bank payments) would require some controls or checking around the actual transaction process; as compared to triple key (one person sets up, two others authorize) which is very similar to existing cheque approval.

I have nothing further to report

**Lionel Robbins**  
**Independent Internal Auditor**  
**7 May 2021**

**Annex - Extracts from Local Government Finance Act 1990**

**49A Calculation of council tax requirement by authorities in England**

(1) In relation to each financial year a local precepting authority in England must make the calculations required by this section.

(2) The authority must calculate the aggregate of—

(a) the expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year in accordance with proper practices,

(b) such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,

(c) the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure, and

(d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.

(3) The authority must calculate the aggregate of—

(a) the income which it estimates will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issued by it, and

(b) the amount of the financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.

(4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year.

(5) For the purposes of subsection (2)(c) above an authority's estimated future expenditure is—

(a) that which the authority estimates it will incur in the financial year following the year in question, will charge to a revenue account for the year in accordance with proper practices and will have to defray in the year before the following sums are sufficiently available, namely, sums—

(i) which will be payable to it for the year, and

(ii) in respect of which amounts will be credited to a revenue account for the year in accordance with proper practices, and

(b) that which the authority estimates it will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year in accordance with proper practices.

# BOUGHTON MALHERBE PARISH COUNCIL INTERNAL AUDIT REPORT 2020-21

---

## **41 Issue of precepts by local precepting authorities.**

(1) For each financial year a local precepting authority may issue a precept in accordance with this section.

(2) A precept issued to a billing authority under this section must state, as the amount payable by that authority for the year, the amount which has been calculated (or last calculated) **[F1—**

(a) in the case of a precepting authority in England, by that authority under section 49A below as its council tax requirement for the year,

(4) A precept under this section must be issued before 1st March in the financial year preceding that for which it is issued, but is not invalid merely because it is issued on or after that date.