

**TANKERSLEY PARISH COUNCIL
INTERNAL AUDIT FOR THE FINANCIAL YEAR 2021/22**

To the Chairman and Members of the Council

The Accounts and Audit Arrangements introduced with effect from 1st April 2015 amended 2020 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 Faye Hazlehurst to provide an internal audit function to the Council; this report sets out those areas examined during the course of my investigation of the Councils Accounts and Accounting processes for 1st April 2021 to 31st March 2022.

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 my notice during the course of the examination, which I think should be brought to your attention; I 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 the 'Governance and Accountability for the carrying out of an Internal Audit', my 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**
- **Asset control**
- **Petty cash**
- **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 report is attached and any audit recommendations have been agreed with the Clerk/RFO.

Some points raised at the last audit are still to be addressed. The Clerk came into the role part way through the year.

The following recommendations/points should be addressed:

Due Process

No evidence of Equality and Diversity Policy, Clerk advises this is to be updated in 2022. Internal controls for payments could be strengthened by operating dual authority on all bank payments.

Risk Assessment Arrangements

The minutes show there was a potential data breach by a Councillor in June 2021. The breach was reported to ICO. Ensure all councillors receive training on GDPR.

There was no annual insurance review during the year and I was unable to ascertain whether sufficient levels of insurance cover were in place for assets, as there were no insurance valuations listed on the asset register. Officers Indemnity insurance is high for the size of the council, this could be reduced.

The council should look to introduce internal financial controls and these should be reviewed annually. Each page of the minutes should be initialled.

Budgetary controls

The council failed to adopt a budget for 2020/21, therefore no budget variance reporting took place. The budget for 2022/23 has been adopted in January 2022.

Payroll controls

The Clerk/RFO has no contract of employment. The Council should issue a contract within 2 months of the employee start date. Issue contract as soon as possible.

Asset control

The council holds an asset register and this was reviewed in February 2022. However, the individual asset purchase cost is inclusive of VAT, as per the JPAG 2021 the cost should be net of VAT, the Clerk will need to re-state the asset register. The asset register should also contain details of disposals and clearly show the insurance valuations of items.

The Clerk advised that there is an ongoing investigation around fence panels purchased by the Council, the matter has been reported to Barnsley Metropolitan Borough Council monitoring officer. The Chairman of the Parish Council has received unsatisfactory responses from the two Councillors involved and the matter has been reported to the Police. No further updates at this stage.

Miscellaneous

Public inspection of council records and the provision for these. The Clerk provided an electronic copy of the notice which was provided for correctly, however I was unable to evidence this on the website and the old website has been taken down. Evidence of exercise for public rights should be published on the website and/or in the approved minutes confirming the dates set.

A Freedom of Information policy should be adopted in the next 12 months.

The council failed to comply with the publication requirements for 2020/21 AGAR. This information may have been displayed on the authority's previous website but it should be transferred to the new website.

Conclusion

I am pleased to conclude and report that the Clerk has maintained a reasonable

standard of record keeping which 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 the following non-compliances were found.

- D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
- H. Asset and investment registers were complete and accurate and properly maintained.
- M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations (evidence of the notice published on the website and/or authority approved minutes confirming the dates set).
- N. The authority has complied with the publication requirements for 2020/21 AGAR.

The Clerk has implemented a number of improvements in her short time but there are still some areas of weakness that are identified within this report but I am confident that these can be addressed during the forthcoming year.

Faye Hazlehurst
Internal Auditor – 12 May 2022