

# Annual Internal Audit Report 2021/22

Beaudesert & Henley in Arden Joint Parish Council

www.henley-in-arden-pc.gov.uk

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored, and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick 'not covered')			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
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 (evidenced by 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 (see AGAR Page 1 Guidance Notes)	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) - The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

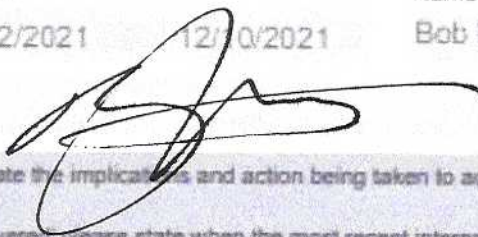
Date(s) internal audit undertaken

01/03/2022    10/12/2021    12/10/2021

Name of person who carried out the internal audit

Bob Morgan [IA]

Signature of person who carried out the internal audit



Date

29/04/2022

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

## Beaudesert & Henley in Arden JPC

### Additional Internal Audit Notes to Form3PM 21/22

#### Objective B;

Internal Audits show that the JPC has worked in breach of its Financial Regulations. It was also noted that from November 21 through to April 22, the JPC failed to give public notice for its meetings as required by the Local Government Act 1972. This has the effect of making Council decisions, including financial ones, lack legal standing.

#### Objective C;

The last full Risk Assessment was approved on 27<sup>th</sup> January 2020 and has not been updated since. This is despite significant changes within the scope of the JPC's responsibilities – including the introduction of an "Outdoor Gym" and improvements to a Children's Play area. The Council did produce what it described as a Financial Risk Assessment in September 2021 but this doesn't meet the requirements.

#### Objective F;

The JPC does not use or accept cash.

#### Objective H;

The Asset Register is dated 11<sup>th</sup> January 2021 and is no longer up to date.

Bob Morgan  
Internal Auditor



29<sup>th</sup> April 2022

**Beaudesert & Henley in Arden JPC**

**Response to the Internal Auditors Notes [Annual Internal Audit] 2021/22**

I thank the IA for his time and effort in supporting myself and the JPC during this difficult year.

**Objective B;**

I would just add that the summons to attend all meetings was posted on the website giving clear notice of the meeting and a full and detailed agenda. I accept that a paper copy was not posted in appropriate notice boards in town and that the instruction posted in the said notice boards asking the residents to request a copy of agendas **did not** meet the exact requirements of the LGA 1972.

**Objective C;**

The risk assessment register fell into arrears and has now been updated for consideration and approval by the members of the JPC at the AGM on the 9<sup>th</sup> of May 2022. The Financial Risk Register dated September 2021 was phase 1 of the updated model form mentioned in the forgoing.

**Objective H;**

An updated version of the Asset Register will be considered for approval by members of the JPC at the AGM on the 9<sup>th</sup> of May 2022 next.



**Ray Evans**  
Parish Clerk & RFO

**4<sup>th</sup> May 2022**