

FISHBOURNE PARISH COUNCIL

INTERNAL AUDIT REPORT 2020-21

1.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.

2.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
- Examination of budget preparation & precept setting
- Inspection of bank statements.
- Examination of Risk Assessment.
- Compliance with Transparency Code.

3.FINDINGS

- (1) Arrangements for PAYE are the responsibility of the Parish Clerk. There were no deductions of income tax for the 2020-21 tax year.
- (2) The accounting record's bank statement's and bank reconciliation for the year ended 31st March 2021 were examined and agreed. The Parish Council accounts are produced on a payments and receipts basis.
- (3) Due to Covid 19 and social distancing Parish Council meetings throughout the year were held via Zoom video link. The cost of Zoom has been shared with another Parish Council.
- (4) The Council had prepared an annual budget in support of its precept and initial discussion of the budget for 2021-22 took place at the December 2020 meeting. The budget for 2021-22 was approved at the 14th January 2021 meeting and the precept was set at £17,000. The Isle of Wight Council's policy is to pay the precept in full in April and the precept for the 2020-21 financial year was received in April 2020.
- (5) The Parish Council has Standing Orders and Financial Regulations which were reviewed in the year and adopted at the meeting on February 11th 2021.
- (6) Risk Assessments – a financial risk assessment was carried out in the 2020-21 financial year.

- (7) Fishbourne Parish Council has income & expenditure of less than £25,000 per annum and is therefore only required to submit to the External Auditor a contact detail and a Certificate of Exemption signed by the Chairman & RFO.

The approval of the Annual Report of the Internal Auditor section of AGAR needs to take place prior to the approval of the Annual Governance Statement (Section 1) and the Accounting Statements (Section 2). For the 2019-20 AGAR this order of approvals was recorded in the minutes of the Parish Council meeting held on 14th May 2020.

- . 8) The Transparency Code for Smaller Authority's requires the publication of certain information on a website. The Transparency Code requirements had been explained and displayed in a distinct section on the website which also contains a link to the full code.

On examination of the information on the website, relevant information provided includes the Annual Return, Financial Statements and Council minutes. I am therefore satisfied that the Parish Council is complying with the requirements of the code.

RECOMMENDATIONS

There are no recommendations arising from the audit.

. **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 Annual Governance & Accountability Return.**

GARETH HUGHES
BA (Hon) CPFA

1ST MAY 2021