

# Internal Audit Report

# Keevil Parish Council

YE 31 March 2022

**Chair of the council**

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Alex Goodwin

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**Clerk to the  
council**

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Sarah Jane Dow

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**RFO**

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Robert Kevan

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Internal audit performed  
by Olivia Adlam

26<sup>th</sup> May 2022

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**Number of  
councillors in  
post**

7

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Annual precept for the  
council for 2021/22:  
£7,500  
(From Wiltshire Council)

VAT relief registration number: XDV126000105629

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The internal audit of Keevil Parish Council was carried out independently and based on the assessment of risk. I confirm that I, as the internal auditor, do not have any role within the council and that this report was carried out without bias.

There was a period of change for the council at the beginning of this assessed year, with the appointment of a new council. Throughout the year the standing Clerk and RFO have worked to improve the internal processes surrounding the accounting records of the council.

A. Appropriate Accounting Records

A1. The financial records are maintained on excel and the ledgers have been kept up to date throughout the year. The RFO has reconciled the bank statements to the cash book and ensured there are sufficient funds in the current account throughout the year. Bank reconciliations are performed, at minimum, prior to every council meeting. An improvement on previous years where the cash book had been left in an overdrawn position. All payments from the account are made via cheque and a sample of transactions were sampled to ensure they were accounted for accurately. The financial reports for the year reconciled to the accounting records.

A2. As a result of the cashbook and bank being accurately reconciled at the year end, there is an accurate disclosure of the balances in the council's AGAR return.

B. Financial regulations, documentation, and approvals

B1. Procedures in place ensure the council are conforming with financial regulations. The documentation reviewed during the audit showed sufficient approvals and authorisations and the sample reviewed was backed up with relevant documentation. Any payments made by the council were approved by 2 councillors and an accurate record maintained of all transactions.

B2. VAT reclaims were dealt with correctly and the accounting cashbook appropriately includes the VAT element of expenditure.

B3. The council does not currently acquire formal tenders or quotes. Given the small level of income/expenditure of the council this is deemed acceptable.

*Recommendation: Should expenditure levels change significantly, or the council incur a one-off large item of expense, it is recommended that a formal tender/quotation process be considered by the council.*

C. Risk Assessment

C1. The council's insurance cover adequately covers its operation and assets. The cover includes an 'all risk' extension.

C2. The internal controls carried out by the council were deemed effective and adequate for the size of the authority.

D. Precept and Budgeting

D1. An annual budget was prepared, minuted and agreed by the council. Variances from actual to budget were recorded in the year end accounts. The budget covers the use of the annual precept received from Wiltshire Council.

D2. Expenditure is monitored throughout the year by the RFO to ensure sufficient funds remain in the treasury account at all times.

D3. The council has recognised its' need to improve their reserve position, but also acknowledged this is a mid/long term objective given the low level of annual precept it receives.

E. Income

E1. Income in the year was made up of annual precept from Wiltshire Council along with a low level of wayleave income. There is no VAT on the council's income.

E2. The precept income and wayleaves received are the council's only formal income streams. Any applications for third party grants are ad-hoc.

F. Petty Cash

F1. The council does not hold or use petty cash.

F2. Clerk/RFO expenditure is pre-approved and subject to standard the same authorisation and payment process as all other council expenditure and is made by cheque not cash.

G. Employees

G1. The clerk/RFO position is the only employee of the council. This position is currently vacant and is being covered, unpaid, by two councillors (Cllr Dow & Cllr Kevan)

G2. The clerk's salary is the only item included on the council payroll, which is managed by Keevil Accountancy, Julie Nellis.

G3. The internal audit confirmed the correct payroll records were held by the council, and the PAYE/NI also appropriately accounted for.

Recommendation: When the new Clerk/RFO is appointed, it is important the council obtains the correct tax code for them on the commencement of their employment.

H. Asset registers

H1. A detailed asset register is held and maintained by the council. It is updated routinely and reconciles opening values, plus any additions/disposals.

H2. The council has appropriate insurance cover for the assets included on the formal asset register held.

I. Bank reconciliations

I1. Bank reconciliations are prepared, at minimum, every 2 months before each council meeting and a register of expenditure is maintained and presented to the council for approval at meetings. The cheque register is included in the relevant meeting minutes.

J. Accounting statements

J1. The accounts are maintained on an income and expenditure basis using payments and receipts. These are reconciled to the council bank statements and agree also to the cashbook. Turnover remains significantly below £200,000.

J2. All items included in the expenditure sample tested were supported by invoices, authorised by 2 councillors per item and approved in line with the council's process.

J3. The bank reconciliation as at 31/03/2022 was confirmed as correct

K. Limited Assurance Review

K1. The income and expenditure of the council both fell below the £25,000 level.

K2. A limited assurance review was carried out for the 2020/21 AGAR.

L. Transparency code

L1. The council maintains a free to access website with all the relevant information required.

M. Notice of Public Rights

M1. The council did not meet the requirements for the EOPR to include the first 10 working days of July.

M2. The council have ensured controls are in place for full compliance for 2021-22.

N. 2020/21 AGAR documents

N1. Due to council elections in May 2021, the council meeting was delayed. No documents for the 2020/21 AGAR return were approved prior to the election in May 2021. The Clerk/RFO at the time had applied for an AGAR submission extension, which was granted to 30 July 21. The confirmation was not circulated to councillors until 26 July, and it was only then picked up that the extension granted did not cover the statutory approval deadline of 30 June. The council's publication notice commenced on 19<sup>th</sup> August and the notice of conclusion of the audit, along with the external auditor certification, was published on the 12<sup>th</sup> of October.

N2. Based on the above it is concluded that the council did not meet its' statutory requirement for 2020/21

N3. The council is keen to ensure the AGAR report for this year is submitted on time and that the statutory requirement is met for 2021/22. Controls are in place to ensure publication compliance for 2021/22 by 30<sup>th</sup> June and 30<sup>th</sup> September.

O. Trust funds

O1. The council did not act as trustees for any trust funds in 2021/22.

Olivia Adlam  
Internal Auditor  
26<sup>th</sup> May 2022