

LENHAM PARISH COUNCIL

INTERNAL AUDIT REPORT 2019-20

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 2019-20 and have been able to complete the Annual Internal Audit Report for the 2019-20 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 RFO I was able to answer 'YES' to all the relevant questions contained in the Annual Internal Audit Report for 2019-20.

I would like to take this opportunity to thank your RFO for the assistance given to me in the conduct of the audit that took place on 13 August 2020.

PREVIOUS AUDITS:

External auditor 2018-19:

The external audit certificate for 2018-19 was unqualified but with a comment that requested information about risk management had not been supplied. It was reported to the Council on 2 October 2019. The relevant minute does not indicate that the Council took any action in respect of the comment. It should be noted that the Council must consider external audit reports (Para 20 Accounts & Audit Regulations 2015) and when completing the annual Governance Statement completes assertion 7 that it has taken appropriate action on all matters raised in reports from internal and external audit. It follows that the contents of the external auditor's report must be addressed and any resulting action (or none) is recorded.

Internal auditor 2018-19:

I note that the Council has set its precept for 2020-21 at £151,500 and so has complied with the statutory requirement that the precept be stated. The budget for 2020-21 is recorded as having been fully discussed and agreed but is not included in the minutes nor is it attached as an appendix. I have not found the budget on the Council's website. I recommend that the budget is included or attached to minutes as:

- a) adoption of the budget is a decision reserved to the Council,
- b) there is a need to show compliance with s49A Local Government Finance Act 1992 (budget calculations) and
- c) the Information Commissioner's Office includes the budget as a document that should be published.

FINDINGS THIS VISIT:

During the visit I carried out sufficient work to enable me to complete the Annual Internal Audit Report which with Covid-19 restrictions in mind meant that I have concentrated on the accounting records and the minutes.

I found the financial records to be accurate and up to date. There were no unexplained entries in the bank reconciliations.

2019-20 was the second year in which either receipts or payments have exceeded £200,000. Should 2020-21 make a third successive year with receipts or payments exceeding £200k the Council will be obliged to adopt income & expenditure accounting in place of the current receipts & payments basis.

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The minutes for the meeting on 8 January 2020 include the co-option of a councillor to join the Council. The minutes do not record or mention any vote being taken. Co-option requires a positive vote (a majority in favour) even when there is only one candidate.

I have nothing further to report.

Lionel Robbins
Independent Internal Auditor
26 August 2020