

INTERNAL AUDIT REPORT

For the year ended 31st March 2021

To

Ludford Parish Council

I have carried out an internal audit in accordance with the Council's needs, and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

Internal Audit Opinion

In my opinion the controls in place during 2020/21 were sufficient for the purposes of the council, and that the council has made improvements to the reserve position.

1. Accounts

The accounts for 2020/2021 were as follows

	Total	Ringfenced	Not ringfenced
Income	£ 9,810.93	£ 3,806.00	£ 6,004.93
Expenditure	£ 9,424.69	£ 4,056.00	£ 5,368.69
<u>Surplus</u>	<u>£ 386.24</u>	<u>-£ 250.00</u>	<u>£ 636.24</u>
o.o.d cheque	£ 80.80		£ 80.80
<u>underpayment</u>	<u>-£ 0.80</u>		<u>-£ 0.80</u>
<u>total</u>	<u>£ 466.24</u>	<u>-£ 250.00</u>	<u>£ 716.24</u>

The council has improved the reserves and especially the general reserve during 2020/21

	01/04/20	inc/dec	transfer	31/03/21
General fund	£ 0.00	£ 836.43		£ 836.43
St lighting	£ 1,521.22	-£ 120.19		£ 1,401.03
Elections	£ 152.56			£ 152.56
Not ring fenced	£ 1,673.78	£ 716.24		£ 2,390.02
Environment	£ 1,953.24	-£ 250.00		£ 1,703.24
C.I.L.	£ 1,979.04			£ 1,979.04
Ring fenced	£ 3,932.28	-£ 250.00		£ 3,682.28
<u>Total reserves</u>	<u>£ 5,606.06</u>	<u>£ 466.24</u>		<u>£ 6,072.30</u>

The budget for 2021/21 is intended to further improve the reserve position'

The financial assets held by the council are as follows

Bank account		£ 200.00
Bank account	£ 6060.03	
Unpresented cheques	-£ 184.23	£ 5,875.80
<u>Creditor</u>		<u>-£ 3.50</u>
<u>Total</u>		<u>£ 6,072.30</u>

2. underpayment

The clerk was underpaid for august by 80p. This has been added to the creditor figure as at 31/03/21 to pay the clerk £ 3.50 in 21/22

3. Vat

Vat was not recovered in 20/21. It is imperative that a claim is made for recovery during 21/22.

4. Petty cash

The Council does not operate a petty cash system and hence this area of control has not been examined in the course of this audit.

It is recommended that:-

The council does not introduce a petty cash system.

5. Transparency

The website still does not have the financial regulations and standing orders.

The cheques approved for payment are not always reported in the minutes.

6. Asset register

The asset register should be updated for the VAR speed sign

7. Bank statements

The bank statements for may and june were missing, but can be deduced from other information and balances on existing statements.

8. Cash book and bank reconciliations

The missing bank statements meant that an interest payment was missed in the cash book, also some clerks expenses were misallocated to salary. Neither of these items had a material effect and have been corrected in the accounts.

Please note that the Recommendations stated in this report may have already been taken under consideration by the Council.

Audit and report prepared by

Kevin Lawrence Adams

Date

27/06/21