

WEST WYCOMBE PARISH COUNCIL FINAL REVIEW & INTERNAL AUDIT FINANCIAL YEAR 2019/20

1. Introduction

This brief report outlines the conduct and results of my annual review and internal audit of West Wycombe Parish Council's (WWPC) accounts for the financial year 2019/20. The purpose of the review was to examine the accounts and documentation available for the year and the year-end accounts.

The annual internal audit, carried out on 1 June 2020 examined the accounts up to the end of March 2020 and the year-end accounts including:

- the start of year accounts and the annual risk assessment;
- the annual budgeting process;
- the finalised budgets and precept request for 2020/21.

2. Method

The following tasks were carried out:

- Two sets of minutes were selected at random and the financial actions specified within them traced through the Cash Book and supporting paperwork;
- All minutes for the financial year were scanned;
- The accounts was examined for each month;
- The final accounts were examined;
- The (computerised) Cash Book, Burial Records, Insurance Certificate and the adopted *Standing Orders, Financial Regulations and Procedures for the conduct of Parish Council meetings* (the Standing Orders) were examined.

3. Final Report

I applied the key control tests provided in the *Suggested Approach to Internal Audit Testing* and the results were as follows:

- The cash book was found to be maintained, arithmetically correct and regularly balanced;
- Standing orders and financial regulations have been adopted and applied and there are appropriate controls applied to payments;
- VAT has been identified, recorded and reclaimed;
- Risk management arrangements are in place and a Risk Register is maintained;
- The Council has prepared an annual budget in support of its precept, expenditure is regularly reported and significant variances have been adequately explained;
- Income has been properly recorded and promptly banked, the precept for 2019/20 was as expected and there are effective controls over cash;
- Petty cash procedures have been adhered to;
- The salary for the Clerk/RFO which was approved by the Council has been paid, as have expenses incurred. Since 1 September 2009 the Clerk has been employed by the Council which makes PAYE and pension payments for her;
- All bank accounts have been reconciled regularly, statements have been placed on file and no unexplained balancing entries were identified;

- There is an audit trail of cheque numbers and numbers identifying receipts between the Cash Book and the filed underlying documents. Debtors and creditors have been recorded.

Inspections of the playground are being carried out annually, in September this year.

4. Implementation of improvements

There were no recommendations last year.

5. Recommendations

There are no recommendations for improvement this year.

6. Summary

This year the Council's key and recurring concerns were:

- the MVAS installation on Chorley Road;
- the safety of the PPF play area and expenditure on new and replacement equipment;
- progress and effects on the parish of HS2;
- the new Unitary Authority, of which there is still no real information on how it will impact on us.

I have no concerns about the accounts and I am satisfied that I can complete a satisfactory Annual Report.

As usual, the quality of the bookkeeping and filing has made my task very straightforward and ensured that the audit has proceeded smoothly.

Lesley Hewitt
Internal Auditor to WWPC
1 June 2020

Type of audit	Covering period	Date carried out
Final Review & Internal Audit	April 2019 to March 2020	1/6/20

Internal control	Suggested tests	Result
Proper bookkeeping	Is the cashbook maintained and up-to-date	Yes
	Is the cashbook arithmetically correct	Yes
	Is the cashbook regularly balanced	Yes, monthly
a) Standing orders and Financial Regulations adopted and applied; and b) Payments controls	Has the Council formally adopted standing orders and financial regulations	Yes. Adopted Revised Standing orders to be used in conjunction with the New Standing Orders developed by NACL (M251.7) 10/5/18. Revised Financial Regulations adopted 10/5/18 re: variable DDS & online banking to HMRC (M251.5) Annual Governance Statement read & accepted M262.9 9/5/19
	Has a Responsible Financial Officer been appointed with specified duties	Yes, the Clerk
	Have items or services above a de minimis amount been competitively purchased	Yes, as far as can be ascertained. Burial Ground (BG) contract was placed with Lawrence Landscaping who gave notice that they would cease operations from 1/11/19. No work needed before year end and quotes will be obtained from other suppliers – 14/11/19. Quotes for ground and other outside maintenance including the BG were requested from existing contractors. Quotations received (M269.1) 12/12/19. 3 Contractors renewed contracts for 2020/21 12/12/19 (M269.7). Pet waste disposal contractor price increase. Another quote obtained. Current service retained. 13/2/20 (M271.1).
	Are payments in the cashbook supported by invoices, authorised and minuted	Yes
	Has VAT on payments been identified, recorded and reclaimed	Claim of £4,471.49 made for FY 2018/19 14/3/19. Received April 2019 (M262.1). Claim for FY 2019/20 was made for £4,387.36.
	Is s137 expenditure separately recorded and within statutory limits	Yes – £450 for 2019/20. £300 donation for village clock (M263.4) 13/6/19.

Risk management arrangements	Does a scan of the minutes identify any unusual financial activity	No.
	Do the minutes record the Council carrying out an annual risk assessment	<p>Yes. Current H&S Risk Assessment issued to Council May 2019. Document reviewed, no modifications needed. (M262.7) 9/5/19.</p> <p>(M265.4) 25/7/19 – new tri-table delivered to PPF. Multi Play replacement parts delivered and maintenance work due in August.</p> <p>(M266.4) 12/9/19 – Multi Play maintenance complete. Tri table to be installed by end Sept.</p> <p>The Pedestal Play Area Inspection annual inspection of the Playing Field, its equipment and facilities – ROSPA Report dated 26/9/19 has been received (M267.1) 10/10/19.</p> <p>(M268.5) 14/11/19 Report discussed – mostly low and very low risks except the basket swing. Resolve to replace it.</p> <p>3 quotes obtained. Order placed with Sovereign at £6,762 + VAT.</p> <p>Cllr. Cope is responsible for monitoring and reporting inspection of the equipment.</p>
	Is insurance cover appropriate and adequate	<p>As far as can be ascertained. Asset Register last revised 26/3/20. Assets listed in Ins. Document. Insurance renewed annually on 1st June.</p> <p>The insurance with AXA ran until 31/5/19.</p> <p>3 quotes from 3 suppliers received. Current supplier, Inspire (part of AXA), submitted lowest price for required cover. (M262.1) 9/5/19. Awarded to them (M262.3) 11/4/19.</p> <p>26/3/20 – additional insurance cover was requested for new basket swing, tri-table, sports equipment & MVAS units.</p>
	Are internal financial controls documented and regularly reviewed	Yes
Budgetary controls	Has the Council prepared an annual budget in support of its precept	<p>Yes.</p> <p>10/10/19 (M267.7) Started to consider budget for 2020/21, needs discussed.</p> <ul style="list-style-type: none"> - Green gym in PPF

		<ul style="list-style-type: none"> - Planting more trees - Complete conversion to LED lights - Consider an environmental project in top Burial Ground. <p>A new Parish Plan will be conducted once the new Unitary Authority is established (<i>now delayed due to Corvid 19</i>).</p> <p>14/11/19 (M268.6) Budgets 2020/21 discussed from 1st draft issued 1/11/19. Suggested increase in precept of £1,500. Light replacement reserve to be increased to £10,000 for LED conversion. No decision until WDC issue figures relating to Band D properties.</p> <p>12/12/19 (M269.6) Discuss budget incl. website changes.</p> <p>9/1/20 (M270.8) Budget v Expenditure sheet issued and adopted.</p> <p>9/1/20 (M270.10) Precept set for 2020/21 at £45,000.</p>
	Is actual expenditure against the budget regularly reported to the Council	Yes, expenditure against budget recorded regularly by Clerk.
	Are there any significant unexplained variances from the budget	No.
Income controls	Is income properly recorded and promptly banked	Yes
	Does the precept recorded in the cashbook agree to the District Council's notification	<p>Yes.</p> <ul style="list-style-type: none"> - 4 April - £21,750 received. - 28 Aug. - £21,750 received. <p>Devolved services funds from BCC:</p> <p>14/2/19 (M259.6) Agreed to continue arrangement for a further year. £2033.58 received for FY 2019/20 (M261.1) 5/4/19.</p> <p>10/10/19 (M267.6) Discuss whether to renew the DSA with new Unitary Auth. at current budget. The new Bucks Unitary intends to extend current agreement until 31/3/22 – budget and annual payments the same. (£2033.58 in 2019/20).</p> <p>Agreed to renew as it costs us more to provide the services. Will request increase £.</p> <p>12/12/19 (M269.1) DSA withy BCC reviewed.</p> <p>9/1/19 (M270.5) DSA signed.</p>

	Are security controls over cash adequate and effective	Yes. Council/Chairperson approves all payments.
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts	Yes. Previous External Auditor directed that Petty Cash is not applicable in future as no actual cash float is kept. (M243.3) 7/9/17.
	Is petty cash expenditure reported to each Council meeting	Yes. Itemised expenditure is reported and re-embursed by cheque.
	Is petty cash reimbursement carried out regularly	Yes, expenses are re-embursed monthly.
Payroll controls	Do salaries paid agree with those approved by the Council	Yes. Clerk has been employed by WWPC since Sept 09. 12/12/19 (M269.10) Discussed increase in Clerk's hours from January 2020. Agreed to increase by 52 hours/year to allow for increased work related to Unitary and the current average overtime claim of 60 hours/year. 9/1/20 (M270.12) Agree to pay Clerk's annual room allowance of £500/annum & annual overtime for 2019.
	Are other payments to the Clerk reasonable and approved by the Council	Yes.
	Has PAYE/NIC been properly operated by the Council as an employer	Yes. Council & Clerk's own pension contributions paid each month to BCC. Clerk pays tax but not NIC.
Asset controls	Does the Council keep an asset register of all material assets owned	Yes.
	Are the Asset/Investments registers up-to-date	Yes. Last with additional assets, dated 26/3/20. Includes new PPF equipment, laptop and MVAS units.
	Do asset insurance valuations agree with those in the asset register	Yes. Current valuation is £125,868. Insurance renewable 1st June each year.
Bank reconciliation	Is there bank reconciliation for each account	Yes
	Is bank reconciliation carried out regularly on the receipt of statements	Yes. Monthly
	Are there any unexplained balancing entries in any reconciliation	No
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts & Payments/Income & Expenditure)	Yes (R&P). 12/3/20 (M272.8) 2019/20 Year-end accounts to 31/3/20 prepared and sent to Counsellors. Issued at Annual Parish Meeting.
	Do accounts agree with the cashbook	Yes.
	Is there an audit trail from underlying financial records to the accounts	Yes, invoices numbered and date of receipt recorded.

	Where appropriate, have debtors and creditors been properly recorded.	Yes. None outstanding.
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Notes:

- **Deaths, Burials & Memorials** - During the year there was one burial, 8/7/19 Beale (£190) and one burial of ashes, 28/5/19 Potter (£135).
- Year End balance of £24,418.
- Two large expenditures this year – the PPF equipment, in excess of £7,000, and the MVAS units in Chorley Road. The latter cost £6,471.95 + ancillary equipment and fixings. Of this, £3,200 was refunded to the Council by BCC after installation.