

**WEST WYCOMBE PARISH COUNCIL
INTERNAL AUDIT PLAN
FINANCIAL YEAR 2022/23**

For the financial year 2022/23 the following internal audit activities are planned:

1. July 2022 – Interim review

- Examine the start of year accounts and the annual risk assessment.

2. During the year – Review of transactions

- Two sets of minutes selected at random and the financial actions specified within them traced through the Cash Book and supporting paperwork.
- For the months concerned, all financial transactions will be followed through the bookkeeping and the supporting paperwork and documents examined.

3. April/May 2023 - Annual review

Examine the accounts and documentation available for the financial year 2022/23 and the year-end accounts including:

- the annual budgeting process;
- the finalised budgets and precept request for 2023/24;
- scanning all minutes for the financial year;
- the accounts for each month;
- the final year-end accounts; and
- the 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).

Apply the key control tests provided in the *JPAG Best Practice Guidance for Internal Audit Testing*.

4. Recommendation of any improvements

If necessary, recommend any improvements to the Council.

Lesley Hewitt
Internal Auditor to WWPC
17 May 2022

**WEST WYCOMBE PARISH COUNCIL
FINAL REVIEW & INTERNAL AUDIT
FINANCIAL YEAR 2021/22**

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 2021/22. The purpose of the review was to evaluate the effectiveness of the risk management, controls and governance processes, examining the accounts and documentation available for the year and the year-end accounts.

The annual internal audit, carried out on 23 May 2022 examined the accounts up to the end of March 2022 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 2022/23.

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, bank statements and supporting paperwork;
- All minutes for the financial year were scanned;
- The accounts was examined for each month;
- The final accounts were examined;
- Burial records were examined;
- The (computerised) Cash Book, 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 *JPAG Best Practise Guidance for 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 2021/22 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;
- The bank account has been reconciled regularly, statements have been placed on file and no unexplained balancing entries were identified;
- There is an audit trail of numbers identifying payments 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 August 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 replacement of Heritage Lights with LED;
- the safety of the PPF play area and expenditure on new and replacement equipment;
- the starting of the Community Orchard project to make better use of our green spaces;
- carrying on the Council business in an efficient and effective way while under restrictions brought on by the pandemic.

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
23 May 2022

Type of audit	Covering period	Date carried out
Final Review & Internal Audit	April 2021 to March 2022	17/5/22
Internal control	Suggested tests	Result
A. Appropriate accounting records kept throughout the year.	Is there correct roll forward of prior year cashbook to new financial year	Yes. Opening balance of £29,531.46 brought forward correctly
	Is the cashbook maintained and up-to-date	Yes
	Is the cashbook arithmetically correct	Yes
	Is the cashbook regularly balanced	Yes, monthly
B. Standing orders and Financial Regulations adopted and applied, payments supported by invoices, all expenditure approved and VAT accounted for.	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 20/5/21 re: to continue using BACS + debit card after COVID restrictions. Zoom meetings cease (M284.3) Copies of Annual Governance Statement circulated, accepted and signed (M284.7) 20/5/21
	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 and formal tenders and quotes received.	Yes, as far as can be ascertained. 2 x site visits from suppliers for new Toddler Swing, 2 x Quotes, lowest accepted. (M283.4) 15/4/21 Agreed to place order for tree works with Completer Tree Services (M286.3) 15/7/21. Placed order for Community Orchard Environmental Project with Chiltern Rangers £2,630 (M286.4) 15/7/21. Renewed orders for landscape work placed with Acorn Landscapes & Stillman Garden Services. (289.10) 11/11/21. Price investigation for energy & water costs co-ordinated with NALC because of worldwide energy issues. Ongoing. (292.8) 10/2/22.
	Are procedures in place for receipt of invoices, confirmation of goods delivery and payment approval.	Yes. Invoices and payments required listed monthly by Clerk in the Minutes. Payments approved at the meeting and invoices signed off by two Councillors.

	Are payments in the cashbook supported by invoices, authorised and minuted	Yes. Invoices numbered /included in Cashbook reference.
	Is there effective segregation between writing of cheques (or online payments) and physical release of payments	All cheque, DD, debit card and online payments to be made listed in minutes for payment next month. Approved/signed by two Councillors.
	Has VAT on payments been identified, recorded and reclaimed	VAT refund of £3,502.23 made for FY 2020/21 paid into bank 12/4/21. (M283.1) 15/4/21. Claim for FY 2021/22 was made for £4,145.15. 31/3/21.
	Debit/credit card payments	Credit cards have not been issued to members of the Council or the Clerk. Council started to use a Debit card in July 2019. Because of the COVID 19 lockdowns the debit card and BACS payments have replaced use of cheques. Payments are reported in same way as other payment methods. Resolve to continue use (M284.3) 20/5/21.
	Is s137 expenditure separately recorded and within statutory limits	Yes – £25 for 2021/22 for poppy wreath 14/10/21 (M288.5). 10/3/22 – S137 increased to £8.82/elector. £300 annual donation for village clock is being made. (This no longer covered by s137)
	Are internal financial controls documented and regularly reviewed	Yes
C. Risk management arrangements	Does a scan of the minutes identify any unusual financial activity	No.
	Has the Council prepared and formally adopted, at least annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.	Yes. Current H&S Risk Assessment issued to Council and dated November 2021. Includes play equipment. Separate risk assessment done for Playing Field 11/11/21. Council considered ARA. Little change from last year (M289.6) 11/11/21. <i>(Document was reviewed and amended in relation to COVID 19 guidelines and the Church Room, bus shelters and Pedestal Playing Field last FY. (M274.9) 16/7/20)</i>

	<p>Is insurance cover appropriate and adequate - including public & employers' liability, fidelity/employees (including councillors) liability, business interruption and cyber security.</p>	<p>As far as can be ascertained. Asset Register last revised 30/3/22. Assets listed in Ins. Document. Insurance renewed annually on 1st June. Employers Liability & Public/Products Liability Ins arranged through Came & Co. Long term agreement expires 31/5/22. C&Co preparing to submit quote. (M283.1) 15/4/21. Insurance placed with Pen Underwriting Ltd, through C&Co, from 1/6/21 £1,025.01. Due and paid in May 2021.</p>
	<p>Are appropriate arrangements in place for monitoring play areas, open spaces and sports pitches</p>	<p>13/8/20 PPF Risk Assessment & General Risk Assessment updated. 10/6/21 Playing Field inspection booked for July. The Pedestal Play Area Inspection annual inspection of the Playing Field, its equipment and facilities – ROSPA Report received and dated 1/8/21. Received and discussed. (M287.1) 9/9/21. <ul style="list-style-type: none"> - all 'low risk' or 'very low risk' recommendations Low risk surface will be repaired. Cllr. Cope is responsible for monitoring and reporting inspection of the equipment.</p>
<p>D. Budgetary process and controls</p>	<p>Has the Council prepared an annual budget in support of its precept</p>	<p>Yes. 11/11/21 (M289.10) Projects discussed, incl. Pedestal Monument. 9/12/21 (M290.3) Budget for 22/23 discussed – approved with HS2 Safety figure @ £5,000 (we benefit by £140,954 for this outlay). <ul style="list-style-type: none"> - Includes reserve of £20,000 - No major projects to consider/ no allowance made. - £2,700 committed for Community Orchard. - Committed to 50% funding of High Street solutions but will have to bid for this in FY 2023/24. - No costs yet for pedestal Monument renovation. 9/12/21 (M290.4) Precept set for</p>

		2022/23 at £42,500 – reduction of 2.83% on 2021/22.
	Is actual expenditure against the budget regularly reported to the Council	Yes, expenditure against budget recorded regularly by Clerk. 14/10/21 (M288.12) Budget/expenditure comparison issued to Council.
	Has budget performance been reviewed and are there any significant unexplained variances from the budget	No significant variances.
	Have specific earmarked reserves been established and reviews annually as part of the budget assessment process	Yes. £20,000 General Reserve budgeted for 2022/23.
	Does the precept recorded in the cashbook agree to the District Council's notification	Yes. 20/5/21 (M284.1) - £21,750 received. (reduction, as agreed, on last FY). 14/10/21 - £21,750 received. Devolved services grant from Bucks. Council: 10/10/19 (M267.6) The new Bucks Unitary intends to extend current agreement until 31/3/22 – budget and annual payments the same. (£2033.58 in 2020/21). Agreed to renew as it costs us more to provide the services. Will request increase £. Devolved Services grant of £2033.62 received 15/4/21 (M283.1). Banked 9/4/21. 11/11/21 Bucks. C to increase DSG by 3%. 10/2/22 (M292.3) Council signed revised Devolution Agreement with Bucks C – 3% increase. We will receive £2094.62 towards grass verge work.
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT accounted for.	Is income properly recorded and promptly banked	Yes
	Allotments – register of tenants, appropriate agreements, payments made and debt chased.	Allotment rent renewal notices issued August 2021. Payments received during Sept, a few late payers, receipt of rents monitored monthly.
	Burials – register maintained, fees charged and recovered in reasonable time.	Registers maintained of burials and memorials.
	Hall hire, Leases, other income.	Not applicable, have none.
F. Petty cash procedures	Debit/credit cards	Used for payments for goods when orders cannot be placed.

	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.
	Are security controls over cash adequate and effective	Yes. Council/Chairperson approves all payments.
	Is petty cash expenditure reported to each Council meeting	Yes. Itemised expenditure is reported and re-imbursed by cheque.
	Is petty cash reimbursement carried out regularly	Yes, expenses are re-imbursed monthly.
G. Payroll controls. Salaries to employees, allowances to members paid in accordance with the Council's approval and PAYE and NI properly applied.	Formal contract in place, any amendments formally recorded.	Clerk is only staff member. Clerk took up the position 25 years ago in Nov 2020. Clerk has been employed by the Council since Sept. 2009. She has a contract, any changes to terms or pay are recorded in the minutes.
	Do salaries paid agree with those approved by the Council	Yes. <i>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.</i> <i>8/10/20 (M277.8) NALC pay scales issued to Council</i> - <i>These should be backdated to April 2020</i> - <i>Clerk is not asking for this to be implemented until April 2021-Clerk not asking for it to be backdated.</i> Clerk is currently SCP38 9/12/21 (M290.1) Notification from BMKALC that pay settlement with LGA yet to be agreed. Pay increases will be back-dated to 1/4/21. 10/3/22 NALC confirmation of 1.75% increase pay award 1/4/21-31/3/22. 10/3/22 (M293.8) BMKALC/NALC award discussed. Agreed to implement SCP32 for Clerk and give backdated pay award. 13/1/22 (M291.11) Annual WFH allowance of £500/annum approved for 2022.
	Gross Pay calculated in accordance with approved spinal point on the NJC scale or hourly rate and also with the contracted hours.	Clerk works 40 hours/month. Hourly rate (SCP38) paid for the FY was £18.08/hour. Retrospectively, clerk paid SCP32 this FY. Hourly rate of £18.90/hour. Pay rise backdated to 1/4/21.

	Appropriate tax codes applied	Yes. As supplied by HMRC
	Is software program used up to date	As far as can be ascertained. i-Connect program used.
	Tax calculated appropriately	As per Tax Code
	Correct treatment of pension contributions	Paid into Bucks CC Pension Fund monthly. Clerks account.
	NI – correct deduction and employer’s contributions applied.	Tax paid direct online to HMRC. Clerk receives State Pension and pays no NI.
	Correct employers’ pension % contribution applied	Yes. 25.10% Employers contribution 10/3/22 Notification that ER rate remains at 25.10%. 5.5% Employees contribution.
	Correct net pay with tax, NI and pension contributions correctly paid to respective agencies.	Yes. Council & Clerk’s own pension contributions paid each month to BCC. Clerk pays tax and receives net pay, approved each month and with addition of expenses.
	Are other payments to the Clerk reasonable and approved by the Council	Yes.
H. Asset controls	Does the Council keep an asset register of all material assets owned	Yes.
	Are the Asset/Investments registers up-to-date – routinely with new assets at historic cost price, net of VAT and removal of disposed assets.	Yes. Latest with additional assets, dated 30/3/22. Includes new swing 7/7/21 £2,751.00. Total asset value is £124,283.* Cost and insurance prices given, usually the same.
	Does register identify asset purchase cost and replacement/insured cost.	Yes
	Do asset insurance valuations agree with those in the asset register.	Yes. Current valuation is £124,283. Insurance renewable 1st June each year.
	Borrowing and lending	N/A - Council does not borrow or loan.
I. 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	None identified.
	Is year-end bank reconciliation correct and accurately stated in AGAR Section 2, Box 8.	Yes. £27,731 as @ 31/3/22.
J. Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts & Payments/Income & Expenditure)	Yes (R&P). 20/5/21 (M284.8) FY 2020/21 Year-end accounts to 31/3/21 approved by Counsellors.
	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.
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	If receipts & payments each totalled less than £25,000: - the correct exemption certificate was prepared and minuted - That it has been published on the Council's website and notice board	N/A. Both greater than £25,000
L. The Council publishes information on a website and complies with the relevant Transparency Code	Only for Councils covered by the £25,000 External Audit exemption. - All required info published	11/11/21 (M289.13) Meeting dates for 2022 put on notice boards and website. Website analysis received monthly. 20/5/21 (M284.14) Council resolved to set up, with appropriate controls, a PC Facebook page. 10/6/21 Set up completed/linked to PC website.
M. The Council has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts & Audit regulations	30 working day period that the Council's records are available for public inspection	14/6/21 – 23/7/21 agreed as period of public inspection of the annual accounts 2020/21. 20/5/21 (M284.9).
N. The Council complied with the publication requirements for the prior year AGAR	Met as detailed on front page of current years AGAR	Published on website and notice boards.
O. Trust funds		N/A. Council has none.

Notes:

- **Deaths, Burials & Memorials** - During the year there were 2 burials, 1/9/21 Andrews (£415), 10/11/21 Yardell (£190), one burial of ashes 6/11/21 Hearn (£90), one placement of a memorial Hogan (£90), and one addition to an existing memorial Yardell (£35).
- Year End balance of £27,731

All meetings were able to take place this year with COVID restrictions. The meeting in April was held over ZOOM but thereafter meetings took place with social distancing in the Village Hall. Meetings in the Church Rooms were resumed in October 2021.

The main project for the FY 2021/22 was an environmental project in the field above the Burial Ground and included a community orchard and wildflower meadow. Local schoolchildren were involved. Flower survey 21/7/21. Grass cut & collection 27/8/21. Wildflower plugs and seed planted. Bird & bat boxes constructed. There will be ongoing maintenance for this in future years.

There is no designated major new project for the coming FY 2022/23.