

# **NETTLESTEAD PARISH COUNCIL**

## **INTERNAL AUDIT REPORT 2021-22**

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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 2021-22 and have been able to complete the Annual Internal Audit Report (AIAR) for the 2021-22 Annual Governance and Accountability Return (AGAR).

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 I was able to answer 'YES' to the relevant questions contained in the AIAR for 2020-21 apart from M and N where I answered "No".

I would like to take this opportunity to thank your clerk for the assistance given to me in the conduct of the audit that took place on 29 April 2022.

### **PREVIOUS AUDITS:**

#### **External auditor 2020-21**

PKF Littlejohn issued their certificate for 2020-21 on 27 September 2021. It was not qualified but did have two comments. The first of these was that there was in PKF Littlejohn's view insufficient explanation of the variance in other receipts between 2020-21 and the previous year.

The second comment was that the Council had failed to comply with legislation in respect of public rights. As set out in the Accounts & Audit Regulations 2015 the period for public rights of inspection must have begun by 1 July each year and also that the rights period begins the day after publication requirements have been met. As the Council did not approve its AGAR until 1 July it could not have started the rights period the same day and thus did not comply with statute.

While the failure to comply is relatively minor and in practice no person exercised their rights, it does have an impact on the 2021-22 AGAR including the AIAR.

The impact on the AGAR for 2021-22 is an obligation to answer the public rights assertion on the Governance Statement with a "No" and to provide an explanation. An accidental oversight leading to the 2021-22 AGAR form being submitted with a "Yes" answer for the public rights assertion will result in a qualified certificate for failure to consider audit reports and a requirement to provide a "No" answer on the 2022-23 AGAR.

In respect of the AIAR my problem is that the failure to comply strictly with the Regulations over public rights compels me to answer "No" to the related questions about public rights (M) and publicity (N) notwithstanding my view that the breach of statute had no real effect.

#### **Internal auditor 2020-21:**

I had reported that the 2021-22 budget had not been uploaded onto the website although adopted in November 2020. The 2021-22 budget was uploaded to the website on 24 June 2021.

### **FINDINGS THIS AUDIT:**

During the audit I carried out work to enable me to complete the Annual Internal Audit Report which included reading the minutes for compliance with legislation, a view of Council activity and for

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consistency with the accounts. I reviewed and test checked the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations.

I found the financial records to be accurate and up to date.

There is no mention of budget approval in the minutes of the meeting on 3 February 2022 at which the precept for 2022-23 was set. The duty to adopt a budget under the Local Government Act 1972 remains although modified by the Local Government Finance Act 1992 which both specifies budget calculations and combines their result with precept setting.

I have nothing further to report.

**Lionel Robbins  
Independent Internal Auditor  
3 May 2022**