

Shenley Parish Council

Financial Year 2020-21



Visit date: 19 April 2021

Year End Internal Audit Observations

Box B *This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Invoices have not been approved in accordance with the Councils Financial Regulations	<i>Clerk completes an 'Expenditure Invoice Record' but this is not signed as per Financial Regulation 5.3 (It is understood that, prior to COVID, the sheets were signed by Councillors)</i>	The Council must ensure that invoices are approved as required by the Councils Financial Regulations.	High	

Box C *This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council has not formally Minuted a review of Risk during the Financial Year.	<i>From a review of Minutes it was not possible to verify that the Council has undertaken a formal review of risk during the 2020-21 financial year.</i>	The Council has not formally recorded a review of risk during the Financial Year. This is a non-compliance with the requirements of the Accounts and Audit regulations. The Council must give a Negative response in respect of Assertion 5 of the Annual Governance Statement	Non Compliance	

Box E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council does not maintain a register of fees and charges	<i>The Council receives income for advertising (for which it has a VAT dispensation in place) and also from allotments. It was not possible from a review of records to determine when the charges were last subject to review by Council.</i>	The Council should establish a formal register of fees and charges which should be subject to annual review as part of the budget setting process.	High	
2	A register is not kept of amounts outstanding & due to the Council	<i>The Council has a debtors ledger, on the Xero accounting system, however it is not currently practice for all invoices to be raised through Xero. (It was noted that some outstanding advertising invoices were not recorded in Xero)</i>	The council should do all invoicing through the Xero accounting system and cease using manual invoices. Council should review the billing arrangement for allotments and consider whether it would be possible to automate this process through Xero	Medium	

3	VAT has not been promptly reclaimed	<i>Claim for 2019-20 and 2020-21 pending at date of year end audit.</i>	The Council must ensure that VAT is promptly reclaimed	High	
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Box F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Petty cash reimbursement is not carried out regularly	<i>The Council holds a very small Petty Cash balance. It is understood that the use of the Petty Cash has ceased.</i>	The Council should review whether it will still maintain a Petty Cash. If not any residual balance should be deposited in the bank.	Medium	

Box G Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	It was not possible to agree salaries paid to those approved by Council	<i>The 6 October 2020 Full Council Meeting minute reference 56/20.21 (x) approved increase salary SP 33 (old scale, SCP27 new scale). Approved hourly rate is £16.29, paid hourly rate in Feb 2021 is £15.3471.</i>	Council to review salaries paid to ensure that they agree to those approved by Council.	High	

Box I Periodic and year-end bank account reconciliations were properly carried out.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Reviews of bank reconciliation have not been signed and/or dated.	<i>Year end bank reconciliation has been prepared but not signed as at date of interim audit visit. It is understood that it will be signed at next Council meeting.</i>	The bank reconciliation statement should be signed and dated and the supporting bank statements initialled as evidence of review.	High	

Box M During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The period for the Exercise of Public Rights did not commence the day after the Council published the Accounting Statements and Annual Governance Statement	<i>The 'Date of Announcement' for the period of Exercise of Public Rights is stated on the from as 4th June, but the Period Commenced on the 15th June (not the 7th) as there was a delay getting the AGAR forms physically signed and the were posted after the date of announcement.</i>	The Council to note that the date or the Exercise of Public Rights did not commence the day after the Council published the Accounting Statements and Annual Governance Statement	High	