

# BEKESBOURNE WITH PATRIBOURNE PARISH COUNCIL

## INTERNAL AUDIT REPORT 2019-20

---

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 2019-20 and have been able to complete the Annual Internal Audit Report for the 2019-20 Annual Return.

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 any major error in my financial audit and that I found the record keeping to be of a reasonable standard. I have not tested, but a brief overview suggests that the Parish Council's approach to the management of risks is sound. As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to most of the relevant questions contained in the Annual Internal Audit Report. I have not answered "YES" to questions F and L because I have not covered those areas and have answered as "Not Covered".

I am required to explain any "Not Covered" answers and my explanations are given below:

Question F – concerns petty cash, as far as I am aware Bekesbourne with Patribourne PC has no petty cash

Question L – exercise of public rights, I have no access to documents indicating whether the Council made provision for public rights in respect of either 2018-19 or 2019-20.

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 9 March 2021.

### **PREVIOUS AUDITS:**

#### **External Audit Certificate 2018-19**

Not covered.

#### **Internal Audit 2018-19:**

I have not seen my predecessor's report.

### **FINDINGS THIS VISIT:**

During the audit I carried out sufficient work to enable me to complete the Annual Internal Audit Report. This included a review and test check of the audit trail from the cashbook to bank statements and minutes.

I found the financial records to be accurate.

Neither the November 2019 minutes nor the November 2020 (or January 2021) minutes explicitly record the precepts for 2020-21 and 2021-22 respectively. The Council should note that s49A Local Government Finance Act 1992 mandates certain budget calculations and that s41(2) of the same Act states that the precept is the result of the s49A calculations and must be stated as an amount payable by the billing authority.

The Council has not made a claim for recovery of VAT during 2019-20 or since. I have discussed this with the Clerk. There is a three year window for reclaiming VAT so that a claim for VAT incurred during 2018-19 should be made as soon as possible if applicable. The amount recoverable for 2019-20 is £932.

I note that the Council currently has around £200k in reserves courtesy of a land sale in February 2019. The Council has correctly split its investments between institutions in view of the compensation scheme limit of £85k per institution. The Council also needs to have an investment strategy while it holds investments over £100k.

Earlier in this report I stated that I had answered "not covered" in response to question L on the Annual Internal Audit Report about public rights. The Council should take note that repeated failure to provide for these rights or

# **BEKESBOURNE WITH PATRIBOURNE PARISH COUNCIL INTERNAL AUDIT REPORT 2019-20**

---

to be able to demonstrate that appropriate provision had been made would enable the external auditor to rescind the Council's exempt status (by issuing a public interest report). This may or may not affect the Council depending on when spending plans come to fruition – spending over £25k in one year automatically removes exempt status.

I have nothing further to report.

**Lionel Robbins**  
**Independent Internal Auditor**  
**14 March 2021**