

KENNINGTON COMMUNITY COUNCIL INTERNAL AUDIT REPORT 2020-21

I am pleased to report to Members of the Community Council that I have completed my internal audit of the Council's records for 2020-21 and have been able to complete the Annual Internal Audit Report for the 2020-21 Annual Governance & Accountability 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 Community 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 Council's approach to the management of risks to be sound. As a result I was able to answer 'YES' to all the relevant questions contained in the Annual Internal Audit Report.

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 27 May 2021.

PREVIOUS AUDITS:

External Audit 2019-20:

The external Auditor's report for 2019-20 was issued on 24 November 2020. It contained a reference to the year being the first year of the Council's existence but no other comment. I have been unable to find a minute indicating that the Council has considered the auditor's report as required by the Accounts & Audit Regulations 2015.

Internal Audit 2019-20:

I commented in my last report about potentially unlawful councillor activity. I have noted that the relevant activities appear to have ceased.

Having reported on the 2020-21 budget process I followed up by reviewing the adoption of the 2021-22 budget. Minutes record adoption of the 2021-22 budget at the meeting on 9 December 2020. The budget itself is not attached to the minutes and neither is the precept for 2021-22 stated. Both are needed to make sense of the resolutions contained in the minutes and in the case of the precept statute requires it to be stated (s41(2) Local Government Finance Act 1992).

FINDINGS THIS VISIT:

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

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

In reviewing minutes, I have become aware of items included on successive agendas because the decision has been deferred to a future meeting. In some cases items have been deferred twice or more. While there may be reasonable justification to delay on occasions, the practice is inefficient - being wasteful of councillors' and the Clerk's time as well as incurring additional costs.

I have nothing further to report.

**Lionel Robbins
Independent Internal Auditor
6 June 2021**

Annual Internal Audit Report 2020/21

KENNINGTON COMMUNITY COUNCIL

www.Kenningtoncc.gov.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓ NONE HELD
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

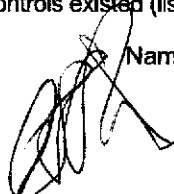
Date(s) internal audit undertaken

27/05/2021

Name of person who carried out the internal audit

LIONEL ROBBSINS

Signature of person who carried out the internal audit



Date

27/05/2021

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).