

Lydlinch PC – Internal Audit 2021/2022 – Internal Auditor’s Report

Preamble

The Practitioner’s Guide states in Section 4, relating to the appointment of an internal auditor, under the heading ‘Engagement’

4.13 *Every authority should ensure that they have a letter of engagement which would normally include:*

- *roles and responsibilities*
- *audit planning and timing of visits*
- *reporting requirements*
- *rights to access to information, members and officers*
- *period of engagement*
- *remuneration*
- *any other matters required for the management of the engagement by the authority*

4.14. *Most internal auditors will have professional indemnity insurance cover which Provides both the authority and the person or firm engaged, with protection and assurance.*

For clarity, I would like to point out that I do not have professional indemnity insurance, and I have not received a letter of engagement. Nonetheless I have undertaken the internal audit.

Please find below some notes and comments following the internal audit undertaken for the year 2021/22, which I hope will be useful.

1. Finance

a. [Financial Regulations](#)

The above link leads to the Lydlinch Parish Council Financial Regulations, adopted on May 21st 2015. However paragraphs 6.5 and 6.7 read as follows:

6.5 For account ref **07138377** the Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the Clerk or RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly. **The Library management group and Community office will hold a nominal cash float.**

6.7 The Library management group, Lights group and Community office maintain nominal petty cash floats. The management of the petty cash is detailed in the relevant petty cash handling procedures which are approved by the Town Council.

It may be appropriate to revise these two paragraphs, as the Lydlinch PC bank account number is 00817101, and the groups mentioned are not relevant to Lydlinch.

b. Minor discrepancy

The payments listed in the May minutes (05.05.21) include:

T Watson	Salary Feb & March	£320.55
HMRC	Tax Feb & March	£ 75.40

As there was a payment of £302.35 for salary noted in the Minutes of 22.03.21 for Feb & March, the May minutes should read Salary **April May**, as recorded in the cash book. However, the cash book amount is £302.55, not £320.55.

c. Paragraph 13.3

Stocks shall be kept requirements. At the minimum levels consistent with operational. Suggest this needs clarification.

2. **General**

- a. The link from <https://www.lydlinchparishcouncil.gov.uk/audit/internal-audit-documents-2122> for the internal audit report 20/21, is for a blank form for 21/22
- b. There are some minor typos relating to dates of minutes.

Signed Date

Mrs Jan Wardell, Internal Auditor appointed 21.03.22 (LPC minutes item 11)