

# **BRUNSWICK PARISH COUNCIL**

## **ANNUAL INTERNAL AUDIT REPORT 2020-21**

### **Appropriate books of account have been properly kept through the year.**

Due to the limited number of financial transactions during the year a separate book of accounts is not kept. The Clerk keeps a statement of accounts and updates this each month. A total of the reducing balance is reported to meetings of the Parish Council on a regular basis. This includes details of all the transactions (cheques signed by two authorised signatories). These details are included in the official minutes of each meeting.

### **The Council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.**

The Parish Council uses the financial regulations of Newcastle City Council. From the evidence obtained it appears that these have been followed. The low level of transactions/value means that they have only limited application by the Parish Council.

Invoices and receipts have to be produced before expenditure is approved and cheques signed. Where appropriate VAT receipts are obtained. The value of the VAT is recorded and evidence of VAT reclaims was available. Due to the limited level of expenditure overall and the very small number of purchases that attracted VAT reclaims are made over a number of years. The HM Revenues and Customs guidelines appear to have been followed. A VAT reclaim cannot be made for less than £100 so that is why reclaims are only made when there is a "significant value" to reclaim.

### **The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

The Parish Council does not appear to have a defined list of objectives. The operational relationship with the City Council means that it relies on the City Council to provide services in its locality. Its primary role is one of a "pressure group" lobbying the City Council to carry out repairs/upgrade services etc. Therefore, no significant risks were considered. The risks to its assets were assessed and it was found that appropriate levels of insurance, including fidelity guarantee that covers the level of precept plus balances were in place. As it is agreed that no payment is made without an invoice or receipt to prove expenditure has been incurred adequate controls were in place. The Parish Council has employer's liability insure for the clerk. The Parish Council followed the local government code of conduct for members and there was

evidence of completion and return of the members' annual declaration on non-pecuniary interests to the City Council.

**The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.**

Following discussions with the Clerk it was confirmed that when the precept requirements for 2020-21 were considered the Council was made aware of its overall balances, projected expenditure to the year end and an estimate of the standard annual expenditure for the year ahead. This included grants, salaries, subscriptions, insurances, operational costs associated and the contribution to the final phase of the new playground.

There was an adequate balance to cover the cost of a contested Parish Council election if required.

The Parish Council's only income was received from NCC through the Precept and Council Tax Support Grant.

**Petty cash payments were properly supported by receipts; expenditure was approved and VAT appropriately accounted for.**

There is no use of petty cash for the purchase of any goods and service in the Parish Council. Payments for goods and services are not made until the expenditure has been incurred or an invoice received. There are no procedures for the holding or distribution of petty cash in the Parish Council.

**Salaries to employees and allowances to members were paid in accordance with Council approvals and PAYE and NI requirements were properly applied.**

The salary of the Clerk/RFO is paid gross in arrears by Bank Transfer. There was evidence that HM Revenues and Customs and the Benefits Agency were aware of the payments and that adjustments to the tax code/level of benefit had been made in accordance with their procedures.

Members of Brunswick Parish Council do not receive any allowances.

**Assets and investments registers were complete and accurate and properly maintained.**

The Parish Council had a limited number of assets. They were recorded in a basic register. There was evidence that this had been updated during the year.

The Parish Council does not have any investments.

## **Periodic year end bank account reconciliations were properly carried out.**

From the evidence available in the statement of accounts, the minutes and the bank statements there has been regular checks made on the decreasing balance through out the year. The 2020/21 year end reconciliation has been carried out ensuring that un-cleared cheques had been taken into account so that the Parish Council was aware of its current balance and actual balance/level of expenditure during the year.

Year end accounts were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the statement of accounts and were supported by an adequate audit trail from underlying records.

The process followed by the clerk in preparing the year end accounts was discussed. The audit trail behind the income and expenditure was satisfactory including reference to all expenditure in the official minutes of meetings of the Council. There were no cash receipts expected or received during the year. The level and type of financial activity during the year did not require any creditors or debtors to be raised.

## **The Council has met its responsibilities as a trustee.**

Neither the Parish Council as a body nor any individual member were trustees of assets, bank accounts etc.

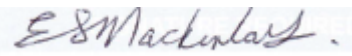
NAME Roger Gray



SIGNATURE

DATE 6<sup>th</sup> March 2021

CHAIRMAN Councillor Eric Mackinlay

SIGNATURE 

DATE 6<sup>TH</sup> March 2021