

YORKSHIRE INTERNAL AUDIT SERVICES
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Mr A Towlerton
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Council Offices
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Dear Mr Towlerton

To the Chairman and Members of Ecclesfield Parish Council
Internal Audit of Accounts for the Financial Year ending 31 March 2021
Final Audit

I am pleased to inform you that the internal audit is complete. Appropriate tests and checks were carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures continue to be effective. Unfortunately, no visit to the council was possible again due to the continuing effect of the pandemic on work and travel arrangements, therefore the audit has been carried out online and by discussion with the clerk. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern. I can report that this year all of the required control objectives have been met. Action taken and remaining to be taken on the previous report's recommendations are discussed in the following paragraphs. Some minor matters were also discussed with the clerk and action agreed where necessary. There are no new matters to bring to members attention. The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2020/21 has been completed as required.

Internal Control Objectives – Annual Governance and Accountability Return (AGAR)

Following the end of the 2018/19 financial year and difficulties in reconciling the accounts the council purchased an accounting software package bespoke to small local councils to enable accounting records to be appropriately kept, bank reconciliations to be properly carried out and complete and accurate accounting statements to be prepared to ensure that all the internal control objectives as required to be reported on the AGAR could be met for 2019/20. This was the case.

However, during 2020/21 in part due to the significant difficulties in working during the pandemic but principally due to the changes in staffing and loss of staff there were difficulties in maintaining the accounting system accurately. Staff at that time temporarily reverted to the previous system to ensure that records were kept up to date and were accurate.

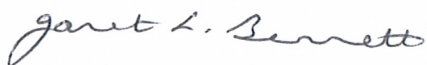
However, from work carried out at the interim audit I found that although the latest bank reconciliation statement appeared to indicate that the accounts were balanced, in fact when the information was checked and corrected, they did not. In order to ensure that the internal control objectives were met for 2020/21 these issues needed to be resolved for the year end accounts.

Unfortunately, these issues could not be resolved in sufficient time and again the previous system of Excel spreadsheets had to continue to be used to ensure that accurate accounts could be produced. Additional accounting services also had to be engaged to ensure that the timetable could be met and balanced accounts produced. Going forward it is important that the problems with ensuring that the accounting system is properly maintained are resolved, either by employing external consultants or additional staff training in order to make sure that the council can continue to meet the necessary governance and accountability standards.

Due to the proximity of the interim audit to the year end it was not possible to review any action taken on the other recommendations: recording the agreed precept request, specific approval of policies at full council meetings and ensuring the exclusion of Grenoside Exhibition Fund business from full council meetings. These matters will be reviewed during the 2021/22 audit.

I would like to thank the clerk for his assistance during the audit.

Yours sincerely



JL Bennett
1 July 2021

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