Conclusion

On the basis of the internal audit work carried out, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited **DATE: 10/06/2021**

INTERNAL AUDIT REPORT
HAWARDEN COMMUNITY COUNCIL 2020/2021

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	The Council has not carried out a risk assessment in 20/21.	*The Council must carry out an annual risk assessment and this should be approved annually.*	
2	A review of the Joint maintenance income found the following: - Expenditure recharged to other councils under the agreement amounting to £2723.22 had been netted off income. - A review of the income received found that the September invoice to Shotton Town Council for £6223.86 remained outstanding, however a debtor had not been included in the accounts.	*Expenditure should not be netted off income.* *The accounts should be amended to include a debtor in the accounts for the outstanding Shotton TC balance.* ***The annual return should be amended as follows:*** ***Total other receipts = £134,499*** ***Total other payments = £104,612*** ***Balances cf = £342,583*** ***Debtors = £9001 (includes a rounding of 1 adjustment)*** ***Balances cf = £342,583*** *A reconciliation should be carried out regularly to ensure that all income invoiced has been received and the ledger balances are correct.*	
3	The fidelity cover of £391,000 does not cover the maximum projected cash balances as at 31/3/21 of	*The Council should review the adequacy of the fidelity cover as part of their annual risk*	

	approximately £430,000.	*assessment.*	
4	At the time of the internal audit, the Council had not completed the trust funds disclosure note on the accounting statement. The Council are in the process of ascertaining the trustee status of the Herbert Gladstone Recreation Ground Charity. Please see issue 1 in the 20/21 interim internal audit recommendations.	*As the Council has not completed the trust funds disclosure note, we have selected 'not covered' in the Annual Internal Audit Report section of the annual return.*	