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To: Ide Parish Council

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Internal Audit Report 2019/2020 for Ide Parish Council

All Councils are required to implement an annual independent Internal Audit examination of its accounts, accounting processes and internal controls. The aim of the Internal Audit is to conclude as to whether a Councils systems of financial and other internal controls are adequate and effective. Testing has been carried out using a sampling system as deemed appropriate for the size of the Council.

This report details the results of the May 2020 Internal Audit for Ide Parish Council which has been carried out in accordance with the requirements as detailed within the Governance and Accountability Practitioners Guide. The report also provides recommendations for the improvement of internal processes and a general summary for Council consideration.

Standard Documentation NOT UPDATED

- Internal control systems – in place and regularly tested by the Council.
- Financial Regulations – in place but have not been personalised and do not appear to have an adoption or review date noted. I recommend that this document is reviewed as soon as possible.
- Standing Orders - adopted in July 2018 and in order.
- A Code of Conduct – adopted September 2014 and in order.
- Transparency Code - applies due to the Council's annual turnover being less than £25,000.
- Website – in place but not all the documents required to meet the Transparency Code have been uploaded to the site. I recommend that the requirements are reviewed and that the asset register, annual accounts and any spending over £100 are updated as soon as possible. I would add that I found locating documents on the Website is quite time consuming as they all appear on one long list instead of being placed under individual tabs. I recommend that consideration is given to amending the Website set up to make it easier for the public to use. Lastly, several documents have been uploaded in 'word' format, making them difficult for the public to access and meaning that they can be edited by the public, and so I recommend that these issues are addressed as soon as possible.
- Borrowing – not applicable. Trust funds – not applicable. Petty cash – not used.
- Council membership – there are two recent vacancies which are being advertised.

Public Funds

- Payment controls – in place and all payments have been overseen by the Council regularly.
- Purchase and payment documentation – items cross checked to the Accounts were in order.
- VAT - requirements have been adhered to with regards the Parish Council's purchases. I note that the Council is currently overseeing funds for the Community Orchard and the Recreation Ground but that these funds do not belong to the Parish Council. I recommend that advice is sought regarding the re-claiming of VAT on any purchases from these funds.
- Accounts - kept up to date, attended to regularly and easy to understand. There is no separate column for Section 137 payments this year, as is required, even if spending for the year is at zero. I recommend that a separate column is input into the accounts, even if spending on Section 137 is at nil.

- 'Other' income - such as from the Allotments, Cemetery and grants, has been accounted for correctly.
- The Accounts record the Receipt and Payment method, as is required.

Risk Management and Budget Control

- Risk Management Scheme - in place, dated October 2019, and in order.
- Insurance policy – in place and appears to be in order. Renewal date is 31st May 2020.
- A budget document has been used to set the annual Precept by Full Council, as is required. I note that the meeting minutes refer the public to a separate 'papers' for Precept data and I would recommend that the Precept detail is recorded within the minutes going forward, as would be expected.
- General Reserves - appear to be in order.
- Data Protection – policy and Privacy Statements are in place, as is required.
- Freedom of Information/Publication Scheme - in place, as is required.
- Statement of Internal Control - in place, dated 31/03/2018, and in need of updating annually.
- IT backup - completed by way of USB sticks and hard drive and appears to be in order.
- Meeting Agendas - are of a good standard and Councillors are correctly 'summonsed' to full meetings. The three clear days' notice statutory requirement has been observed.
- Meeting Minutes – in order with decisions recorded appropriately. There is a lot of referring the public to other documentation which I found a little confusing. The Council may wish to consider inserting the information referred to from the separate documents into the minutes to make them easier to follow.
- Information Commissioners Office (ICO) – annual membership has been confirmed.
- Committees – a Planning Committee is in place and a Terms of Reference document is held.
- Working Groups – several in place, each with Terms of Reference, none with spending or decision making authority.

Employment

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is outsourced to Hawthorns and the documents reviewed, including a P60, appear to be in order. A pension does not apply.
- Staff appraisals and pay reviews take place annually and salary increases have been documented.

Asset Control

- Asset Register – up to date and in order. This document does not appear to be uploaded to the website, as is required, and I recommend that this is done as soon as possible.

Banking and Bank Reconciliations

- Bank reconciliations – produced regularly and circulated to Council.
- Authorised signatories: - standing at four, currently, which is appropriate.
- On-line banking – used, and the process appears to be in order.

Year End

- The completed 2018/2019 Audit Return included a Certificate of Exemption, which appeared to be correctly completed, but I could not locate the resolution by the Council to use this option, as is required. I note that Section 2 of the AGAR form had both 'yes' and 'no' boxes ticked against 'Trust funds'. I recommend that the option of a Certificate of Exemption is resolved by Council and that all Audit documents are double checked for accuracy.
- The year-end Accounts, to 31/03/2020, are being prepared and the Clerk has confirmed full understanding of the Audit process and requirements for this year.
- Public Rights – the document has been completed correctly and appears on the website.

Summary

I am pleased to be able to report that, within the areas checked, it is my opinion that Ide Parish Council has some robust systems of internal control in place which, as a result, supports the lowering of risk to the Council. I would request that the Council considers the few recommendations noted within this report which have been provided to further support risk and internal control management.

Alison Marshall – May 2020