

Alison Marshall - Local Council Administration Services

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To: Ide Parish Council

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Internal Audit Report 2020/2021 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 this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these systems.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. Recommendations for Council consideration have been highlighted in bold print.

Standard Documentation

- The Council has tested internal control systems regularly.
- A Financial Regulations document is in place and in order.
- A Standing Orders document is in place and in order.
- A Covid 19 addendum Standing Orders document is in place which evidences good practice.
- A Code of Conduct is in place and is in order.
- The Transparency Code for smaller authorities is applicable due to the Council's annual turnover being below £25,000. A website is in place which holds the required T/Code documentation.
- A Website Accessibility Statement is in place as is required.
- Membership – the Council is at full membership which is pleasing to see.

Public Funds

- Payment controls are in place and the Council oversees all payments regularly.
- Purchase and payment documentation cross checked to the accounts was found to be in order.
- VAT requirements appear to have been adhered to.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable.
- The accounts are in order and Section 137 payments have been identified and accounted for.
- The accounts correctly record the receipts and payments method.
- 'Other' income, such as from the Cemetery and the Allotments has been documented.

Risk Management and Budget Control

- A Risk Management Scheme is in place, has recently been updated, and is in order.
- A Statement of Internal Control is in place and in order.
- The annual general Insurance policy appears to be in order.
- **There is a budget document in place and this has been used to set the annual Precept by full Council, as is required. The minutes record that the budget document has been approved but does not explain how much the precept claim will be. For transparency, for the records, and as this is usually of interest to the public, I recommend that such information is recorded.**
- Reserve funds – documented.

- IT and Website backup – McAfee security is in place and information is regularly backed-up.
- Meeting agendas are in order and Councillors are correctly ‘summonsed’ to full meetings. The required notice period has been adhered to.
- **Meeting minutes are in order and decisions have been recorded. I note that some previous minutes remain in ‘draft’ format although signed off and I recommend that these are reviewed/replaced.**
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- There is a General Data Protection Privacy Statement in place (**unable to locate on the website – upload if not already there**). A Freedom of Information/Publication Scheme and a Complaints Policy are also in place.
- Working Groups and Committees are in place along with Terms of Reference.

Employment

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is outsourced and the documentation viewed appears to be in order. There is no pension.
- Pay reviews have been minuted appropriately.

Asset Control

- The Asset and Investment Register appears to be in good order.

Banking and Bank Reconciliations

- Bank reconciliations have taken place monthly and shared with the Council.
- **Authorised signature numbers appear to be at 3 currently and I recommend that this is increased to 4 as a minimum.**
- Internet Banking is used and the process has been minuted.

Year End

- **Year-end 31/03/2020 – the option of using the Certificate of Exemption has been used and the form has been correctly completed. The document does not appear on the website, as is required, and I recommend that this is corrected as soon as possible. It is now a requirement for the Variance Document to be completed and uploaded onto the website but the form has not been completed. I recommend that this process is corrected from this year-end in accordance with the AGAR instructions.**
- Public Rights - the document and process has been correctly exercised.
- Year-end 31/03/2021 – the Clerk is currently dealing with the documentation and has confirmed understanding of requirements.

Summary

It is my opinion that proper practices have been followed and that the Council has some robust systems of internal control in place so as to support the lowering of risk. I have, however, highlighted some areas for Council consideration which, if actioned, will support further the effectiveness of risk management and governance processing.

Alison Marshall April 2021

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