

# Alison Marshall - Local Council Administration Services

Dinneford House, Dinneford Street, Thorverton, Devon EX5 5NU

t. 07801 575521 / 01392 861228 e. [alisonmarshall.lcas@gmail.com](mailto:alisonmarshall.lcas@gmail.com)

To: Ide Parish Council

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## **Internal Audit Report 2021/2022 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 processes.

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. The report contains recommendations for Council consideration.

## **Standard Documentation**

- The Council has tested internal control systems regularly.
- Financial Regulations, Standing Orders and a Code of Conduct are in place. I recommend that the Council considers adopting the updated version of the NALC Financial Regulations (2019), a template version can be found on the NALC website.
- The Transparency Code for smaller authorities is no longer applicable due to the increase in the Council's turnover during the past year. However, a website is in place which holds all the documentation required to comply with the Code which evidences good practice. A Website Accessibility Statement is in place, as is required.
- Membership – the Council is at full membership which is pleasing to see.
- Email addresses – it is now recommended that Councillors have bespoke email addresses, ideally ending in .gov, in order to keep Council business separate and under the control of the Council. I recommend that the Council considers this.
- Royal Mourning Period – the April 2021 mourning period appears to have been observed.
- Virtual meetings – the Council reverted to face to face meetings in May 2021, as required.
- Petty Cash – not applicable. Borrowing – not currently applicable. Trusts – not applicable.

## **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.
- The accounts are in order with the correct year-end of 31<sup>st</sup> March and the receipts and payments method used. The recent move to SCRIBE accounting appears to have been successful.
- Section 137 payments – the Council resolved to purchase a Wreath for £25 but I can't see the resulting payment listed in the accounts. If the payment was made it should appear under Section 137, which it does not, and so I recommend that this matter is investigated.
- 'Other' income, such as from the Cemetery, Allotments and donations has been accounted for.

## **Risk Management and Budget Control**

- A Risk Management Scheme is in place, in order, and has recently been reviewed.
- A Statement of Internal Control is in place and needs reviewing as the document covers the year up to 31<sup>st</sup> March 2021. I recommend that this is addressed.
- The annual general Insurance policy appears to be in order and expires 31/05/2022.
- There is a budget document in place and this has been used to set the annual Precept by full Council. The budget explanation and Precept claim have been minuted appropriately.
- Reserve funds – documented and accounted for.
- Meeting agendas are in order and Councillors are correctly ‘summonsed’ to full meetings. The required notice period regarding agenda issue dates has been adhered to. Please note that it is usual for the Chairman or 2 Councillors to call extraordinary meetings and so the agenda should reflect this. I recommend that this process is reviewed.
- Meeting minutes are in order and decisions have been well recorded. I found the May 2021 Annual Parish Meeting minutes, and the May 2021 Annual Council Meeting minutes, confusing as it reads as though the Council made decisions during the Annual Parish Meeting, which was not the case. I have discussed this matter with the Clerk who will tidy up the documents to make them easier to understand for members of the public. I recommend that reasons for Councillors absences are noted on the minutes, for transparency, and that residents names are not mentioned in the minutes unless they are deceased or have given permission.
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- There is a General Data Protection Privacy Statement, Freedom of Information/Publication Scheme and a Complaints Policy in place, as required.
- Working Groups and Committees are in place along with relevant Terms of Reference.
- Play equipment checks – I have not been able to identify a payment for the official annual play equipment inspection for last year, I recommend that the Council checks that this took place.

## **Employment**

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE/pay roll is outsourced and the documentation viewed appears to be in order. There is no pension. The Pensions Regulator documentation has not been checked during this audit.
- Pay reviews have taken place and the recent national pay rise for Clerks has been minuted.

## **Asset Control**

- The Asset Register has been recently updated and appears to be in order except for there being no total on the bottom of the document. As the total is of public interest, and used for cross checking against the AGAR documentation, I recommend that a total is added.

## **Banking and Bank Reconciliations**

- Bank reconciliations have taken place monthly and have been shared with the Council.
- Authorised signature numbers – not checked during this audit but the recommendation is 4.
- Internet Banking is used and the process appears to be robust.

## **Year End**

- Year-end 31/03/2021 – the option of using the Certificate of Exemption has been used and has been documented within the minutes.
- Public Rights 2021 - the process has been correctly exercised and the dates have been published.
- Year-end 31/03/2022 – the Clerk is currently dealing with the documentation and has confirmed understanding with regards to the AGAR forms and process to be used for this year. The Certificate of Exemption option is no longer available to the Council due to its increase in turnover. Please

note that any transfers between bank accounts should not form part of the overall total receipts and payments for year-end purposes.

### **Summary**

It is my opinion that Ide Parish Council has some robust systems of internal control in place so as to support the lowering of risk to the Council. Proper practices have been applied and the Council's documentation is well presented and in good order. The recommendations within this report have been provided to offer further support to the Council with regards to processes and the lowering of risk.

Alison Marshall April 2022