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To: Witheridge Parish Council

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Internal Audit Report 2019/2020 for Witheridge 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 Witheridge 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

- Internal control systems – in place and checked regularly by the Council.
- Financial Regulations – last reviewed November 2019 and are in order.
- Standing Orders – last reviewed March 2018 and are in order.
- Code of Conduct – in place and appears to be in order.
- Website - in place and in order.
- Petty cash – not held.

Public Funds

- Payment controls – in place and the Council oversees all payments on a monthly basis.
- Purchase and payment documentation – items cross checked to the accounts were in order.
- VAT - requirements have been adhered to and the records are in good order.
- Accounts – in order, easy to read and the document headings read receipts and payments, as is required, although the system automatically heads up the columns as income and expenditure.
- Section 137 – the purchase of a Wreath has correctly been itemised under this 'power of the last resort'. Payments to the Citizens Advice Bureau and for the Defibrillator should not appear under Section 137 as 'powers' exist for such transactions. I recommend that the accounts are amended accordingly.
- Chairman's allowance – in place and appears to have been used appropriately.
- Council borrowing – in place and the documentation reviewed appears to be in order.
- Charitable Trust – the Council oversees a Trust and so has responsibilities as a Trustee. No funds or separate accounts are held in this regard. The Council appears to have met its obligations.
- Quotations – only one quotation was received for the purchase of a new bench in January this year although Council regulations stipulate that 3 quotes are required. I recommend that the Council adheres to its regulations going forward.

Risk Management and Budget Control

- Risk Management Scheme – in place and dated 2020. It appears to be in order.
- General Insurance policy – in place and appears to be in order. Renewal September 2020.

- A budget document has been used to set the Precept, as is required.
- Annual Precept - set by full Council and documented appropriately.
- Reserves – appear to be on the high side for the size of the Council although they have been well documented. I recommend that consideration is given to this matter prior to setting the next Precept.
- Data Protection, Freedom of Information and Complaints policies – all in place.
- Statement of Internal Control – in place, dated February 2020, and in order.
- Meeting Agendas – in order and Councillors are correctly 'summonsed' to full meetings. The three clear days' statutory notice has been observed.
- Meeting Minutes – in order with decisions well documented. My opinion, as a member of the public, is that the minutes are not easy to follow and I would ask the Clerk and Council to consider this.
- Information Commissioners Office (ICO) – annual membership was confirmed.
- Laptop security – overseen by the Clerk and McAfee software has been purchased.
- Committees – a Finance and General Purposes Committee is in place but no Terms of Reference document was available to view. I recommend that a ToR document is put in place, as is expected.

Employment

- Contracts of Employment – there are two employees and each has a Contract of Employment in place.
- PAYE – dealt with by the Clerk 'in house' and the payroll and pension documents viewed appear to be in order.
- Staff appraisals – pay increases have been documented within the minutes.

Asset Control

- Asset Register – last reviewed March 2019 and appears to be in order. Review due.

Banking and Bank Reconciliations

- Bank reconciliations – regularly produced in a clear format and agreed by Council.
- Authorised signatories – currently standing at five which is in order.
- Internet banking - not used currently. The current banking process appears to work well.

Year End

- Year end to 31/03/2019 – the External Auditors Certificate evidenced a response of 'no issues identified' again this year.
- Year end to 31/03/2020 – the year-end documents are being prepared by the Clerk who has confirmed understanding of this year's audit requirements.
- Public Rights – the correct form has been used, the dates are in order and the form appears on the website, as is required.

Summary

I am pleased to be able to report that, within the areas checked, it is my opinion that Witheridge Parish Council has robust systems of internal control in place which, as a result, supports the lowering of risk to the Council. There are just a few highlighted areas within this report which I would draw to the Council's attention in order to improve the risk management further.

Alison Marshall – May 2020

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