

## **Alison Marshall - Local Council Administration Services**

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To: Newton St Cyres Parish Council

Date: 22<sup>nd</sup> April 2025

### **Internal Audit Report – year ending 31<sup>st</sup> March 2025**

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 remote audit, which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide, and may contain recommendations for Council consideration.

### **Standard Documentation and Systems**

- Internal control systems – a good variety of controls are in place which are regularly used.
- Financial Regulations, Standing Orders, Code of Conduct – copies of these documents are in place and have been reviewed regularly. Note: NALC has recently issued new version Standing Orders and Financial Regulations which I recommend Council considers adopting.
- Borrowing – none. Petty cash – not used.
- Councillor membership – 9 required for a full Council and 6 Councillors currently in place. Advertising on the website and through the monthly minutes has been evidenced.
- Email addresses – in order.
- Legal documents – not reviewed during this audit.

### **Public Funds**

- Payment controls – good controls are in place and the Council has checked all payments regularly.
- Purchase and payment documentation – receipts and invoices cross checked to the accounts have highlighted no issues.
- VAT – re-claims of VAT have regularly taken place and the documentation appears to be in order.
- Accounts – entries have been clearly listed and documents cross checked to invoices have highlighted no issues.
- Section 137 – not applicable as the General Power of Competence is held.
- The Receipts and Payments accounting method has been correctly used, as has the correct year end of 31<sup>st</sup> March.

### **Risk Management and Budget Control**

- Risk Management Schemes – in place and have been regularly reviewed/updated by the Council.
- Statement of Internal Control – in place and appears to have been updated recently but the review date states 2022, I recommend this is looked into.
- General Insurance Policy – in place and expires 31/05/2025. The cover appears to be adequate.
- Budget – a detailed budget document is in place, has been signed off by full Council and published. The precept has been set by full Council and minuted. The budget has been reviewed regularly.
- Reserve funds – a listing is in place which appears to be appropriate.
- Meeting agendas – the 3 clear days statutory notice period has been observed and the documents viewed were in good order.

- Meeting minutes – the documents viewed were clear to understand and in good order.
- Information Commissioners Office (ICO) – annual membership and payment confirmed.
- GDPR Policy, Publication and Freedom of Information Scheme, Complaints Policy – in place.
- Website Accessibility – statement in place and appears to be in order.

### **Employment**

- Employment – the Clerk is the only employee.
- PAYE / Payroll – dealt with 'in-house' by the Clerk by way of the on-line HMRC PAYE tools system. Tax and National Insurance deductions have been evidenced and paid to HMRC. The documents viewed appeared to be in order. There is no pension in place. I recommend that the Council checks the on-line system for input accuracy on a regular basis to support the Clerk, ensure that the correct figures have been recorded and that the correct tax and national insurance is being deducted. Council should bear in mind the changes to NI in the coming financial year.
- Pay reviews and pay rises – a pay rise has been applied but I could not find reference to this in the minutes as would be expected. I recommend that pay rises (and overtime if applicable) are documented for transparency.

### **Asset Control**

- Asset Register – updated as at 31/03/2025 and published. I recommend that the date of purchase and where the items are situated be added to the register as this would be usual. The Practitioners Guide can provide more information on this.

### **Banking and Bank Reconciliations**

- Bank reconciliations – completed, published and checked by the Council quarterly. It is unusual for unpresented items to be listed on bank reconciliations when on-line banking is used. The Practitioners Guide can provide more information on this.
- Internet Banking – used. All payments and statements appear to have been checked for accuracy by the Council and signed off by authorised signatories.
- Authorised signatures – reviews and updates have taken place regularly and there are currently 5 authorised signatories in place evidencing good practice.

### **Year End**

- Year-end 31/03/2024 – the External Auditor's report highlighted no issues. The AGAR 3 format was correctly applied and the requirements have been met.
- Public Rights year-end 31/03/2024 - the dates are in order and have been published but the incorrect form has been used (exempt authority) and I recommend a double check of all documentation prior to sign off each year to avoid similar errors.
- Year-end 31/03/2025 – the AGAR 2 format applies due to the annual turnover being below £25,000. The Clerk is currently dealing with the year-end documentation and has confirmed understanding of the process required.

### **Summary**

It is my opinion that Newton St Cyres Parish Council has good systems of internal control in place which are reviewed regularly. The documents viewed were found to be in good order. The Clerk holds the CiLCA qualification which is of great benefit to the Council. Whilst some minor points have been raised within this report for Council consideration, I am pleased to have been able to sign off the AGAR Internal Audit report indicating no areas of concern.

Alison Marshall, April 2025

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