

Alison Marshall - Local Council Administration Services

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

t. 07801 575521 / 01392 861228 e. alisonmarshall.lcas@gmail.com

To: West Alvington Parish Council

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Internal Audit Report 2019/2020 for West Alvington 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 July 2020 Internal Audit for West Alvington 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.

The audit results take into account that the Parish Council was not in place between February and June 2020, due to it being inquorate.

Standard Documentation

- Internal control systems – in place and tested by the Council regularly.
- Financial Regulations – in place, adopted July 2019 and in order.
- Standing Orders – in place, adopted July 2019 and in order.
- Code of Conduct – in place, adopted July 2019 and in order. .
- Website – a new website is in place and holds relevant documentation for public view. It was noted that some documents appear in 'word' format meaning that they can be edited by the public. I recommend that these documents are replaced by 'pdf' versions, or similar.
- Transparency Code for smaller authorities – applies.
- Borrowing – none. Petty cash – not used. Trusts – not applicable.
- Council membership – vacancies are being advertised.

Public Funds

- Payment controls – a monthly payment sheet is reviewed and authorised by the Council.
- Purchase and payment documentation – items cross checked to the Accounts appear to be in order. It was noted that £900 was paid to cover a structural inspection on the village hall although this building is not owned by the Council and so such action could be queried by the public. I have provided information to the Clerk regarding Councils working with village halls and payment of VAT etc. for reference. Also, I note that the Financial Regulations state that 3 estimates are required for items between £100 and £3,000 but I can't see that this requirement was adhered to. I recommend that the matters raised are considered.
- VAT – no re-claim has been made recently so there are no documents to check. I understand that the new Clerk is to make a claim in the near future and I recommend that the Council oversees this.
- Accounts – up to date and in order. The Receipts and Payments method has correctly been used.

- Section 137 – a separate column appears in the Accounts, as is required, but the ‘power’ has not been used during the past financial year.
- ‘Other’ income – burial income and table rental income has been recorded within the Accounts.
- Invoices – those checked appeared to be in order but I recommend that the Handyman receives help to ensure that future invoices received are fit for purpose.

Risk Management and Budget Control

- Risk Management Schedule – a document is in place, dated 2019/2020, and is in order.
- Statement of Internal Control – in place and in order.
- Insurance policy – the latest policy appears to have expired in June 2020 leaving the Council currently uninsured. I understand that the Clerk is dealing with this matter and I recommend that a policy is put in place as a matter of urgency and that the Council oversees this.
- A Budget document has been used to set the annual Precept at a full meeting, as is required, and the minutes have been documented appropriately.
- Reserves – a listing is in place and appears to be in order.
- Agendas – the meeting agendas viewed are in order and Councillors have been correctly summoned to meetings. The three clear days’ notice requirement has been evidenced.
- Minutes – the minutes viewed have been well written and are informative. It was noted that some of the 2019 minutes include the heading ‘annual council meeting’ in error and I recommend that this is corrected. It was further noted that some 2019 minutes remain in draft format, which could be due to the Council not legally being able to sign them off, and I recommend that this matter is reviewed and corrected if appropriate.
- Information Commissioners Office (ICO) – membership was not in place during the last financial year but the intent to register has now been evidenced. I recommend that the Council oversees this.
- General Data Protection Regulations – A GDPR Policy is in place.
- A Complaints Policy – in place together with a Publication Scheme, evidencing good practice.

Employment

- Contract of Employment – a signed contract for the new Clerk, being the only employee, is in place and the new employment has been documented within the minutes.
- PAYE – now outsourced to SHDC and the documentation appears to be in order with PAYE payments evidenced. It was noted that the previous Clerk worked on a self-employed basis, which is against regulation, and so the new process has now corrected that situation. I recommend that Council takes on board the requirement for a Clerk to be employed.
- The Pensions Regulator - data was last updated in January 2020 and appears to be in order.

Asset Control

- Asset Register – updated in April 2020 and appears to be in order.

Banking and Bank Reconciliations

- Bank reconciliations – completed regularly and appear to be in order.
- Internet banking – now being used and the process appears to be in order.
- Authorised signatories – due to recent issues with the Council I understand that this matter is currently being addressed.

Year End

- Year-end audit documents for 31/03/2019 – a Certificate of Exemption has been correctly used and the document is in order.

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- Public Rights – year end 31st March 2019 – the correct document has been used but, unfortunately, the dates are incorrect. The Clerk is aware of the error. I recommend that the Council oversees this matter.

Summary

I can report that, within the areas checked, it is my opinion that the Parish Council has some good systems of internal control in place so as to support the lowering of risk to the Council. There are a few areas documented within this report which, if actioned, will help strengthen the Council's risk and internal control management going forward.

Alison Marshall – July 2020