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To: Winkleigh Parish Council

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Internal Audit Report 2018/2019 for Winkleigh 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 2019 Internal Audit 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

- The Council has tested internal control systems regularly.
- The Financial Regulations document was last reviewed in May 2018 and is in order.
- The Standing Orders document was last reviewed in July 2018 but, unfortunately, the statutory passages are still not highlighted in bold type, as is required, as a reminder that these passages cannot be changed, deleted, or amended. I recommend that this matter is addressed as soon as possible.
- A Code of Conduct is in place, last reviewed May 2018, and is in order.
- The Transparency Code does not apply due to the Councils annual turnover being above £25,000.
- Following the May 2nd Elections the Council is short of 4 members and is hereby reminded that these places need to be filled as soon as possible.
- There is a suite of Policies in place which evidences good practice.
- The Neighbourhood Plan is correctly being overseen by the Council and receipts/payments in this regard appear to be in order.
- It was pleasing to see that the Council had completed its own internal audit in February this year.

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 have been adhered to, records are in good order, and claims are made regularly.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable.
- The Accounts are kept up to date and in order. Section 137 payments have been accounted for.
- The Accounts record the Receipts and Payments method.
- 'Other' income, such as from property rental and burials, has been accounted for correctly. It is noted, however, that the website link to the Cemetery Plan does not work and I recommend that this is addressed.

Risk Management and Budget Control

- A Risk Management Scheme is in place and is in order.
- The annual general Insurance policy has been reviewed, and renewed, and is in order.
- The latest annual budget document is of a good standard and regular reviews against budget have been carried out. The budget document has correctly been used to set the annual Precept, by Full Council, at the November 2018 meeting. The outcome has been well recorded in the Minutes.
- Reserves appear to be in order and a listing of 'restricted' funding is in place.
- IT and Website backup is overseen by the Clerk and appears to be adequate.
- Meeting Agendas are in order and Councillors are correctly 'summonsed' to full meetings.
- Meeting Minutes are in good order and decisions have been well recorded. I note that it was resolved to provide refreshments at the Annual Parish Meeting but care should be taken, in future, as there is no power to cover such a purchase unless the General Power of Competence is in place or, perhaps, a Chairman's allowance. I recommend that, if not already in place, a Chairman's allowance is considered.
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- The 2018 General Data Protection Regulations update has been adhered to and a Privacy Notice is in place. A Publication Scheme and a Complaints Policy are also in place as would be expected.
- Working Groups and Committees are in place and Terms of Reference/Responsibilities are held.

Employment

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is dealt with by the Clerk and the documentation viewed appears to be in order.
- Staff appraisals and pay reviews take place annually and salary changes have been documented. Overtime is claimed regularly and has been sanctioned by the Council.

Asset Control

- The Councils Asset and Investment Register has been recently updated and is in good order.

Banking and Bank Reconciliations

- Bank reconciliations have been produced monthly and signed by the Council.
- All cheque book stubs reviewed had been correctly initialled by two Councillors.
- Authorised signature numbers are, I understand, at only 2 currently and I recommend that this matter is addressed as soon as possible.
- The banking process used appears to work well and is in order.

Year End

- The completed 2017/2018 Audit Return documents were reviewed and the feedback from the External Auditor has been applied.
- The year-end documents, to 31st March 2019, are being prepared and the Clerk has confirmed full understanding of this year's Audit requirements.
- Due to the findings of this audit review I have been able to sign off the AGAR internal audit form indicating no areas of concern.

Summary

I can report that, within the areas checked, it is my opinion that the Parish Council has robust systems of internal control in place so as to support the lowering of risk to the Council. The situation is helped greatly by the Clerk having recently taken the CiLCA qualification. There are very few areas listed within this report for review but, if actioned, will further support the future risk and internal control management of the Council.