

# Alison Marshall - Local Council Administration Services

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To: Winkleigh Parish Council

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## Internal Audit Report 2019/2020 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 2020 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

- Internal controls - systems are in place and have been tested by the Council regularly.
- Financial Regulations – in place, approved May 2020 and in order.
- Standing Orders – in place, approved May 2020 and in order.
- Code of Conduct – in place, reviewed May 2018 and in order.
- Transparency Code 2015 – does not apply due to the Councils annual turnover being above £25,000.
- Website – in place and in order.
- Petty Cash – not held. Borrowing – not applicable. Trusts - not applicable.
- General Power of Competence – it is unfortunate that the Council has been unable to take advantage of this ‘power of the first resort’ although it can still benefit from a CiLCA qualified Clerk.
- Council membership – vacancies are apparent and pro-activity, in order to attract new members, has been evidenced.

## Public Funds

- Payment controls – in place and the Council oversees all payments monthly.
- Purchase and payment documentation – items crossed checked to the accounts were in order.
- VAT - requirements have been adhered to and records are in good order.
- Accounts/cash book – in good order and the receipts and payments method has correctly been used.
- Section 137 – this ‘power of the last resort’ has been used correctly.
- Other’ income – cemetery and property rental income has been accounted for.

## Risk Management and Budget Control

- Risk Management Scheme – in place, dated January 2020 and is in order.
- Statement of Internal Control and Internal Control Policy – in place and in order.
- General Insurance policy – in place and appears to be in order.
- Budget document - a thorough budget review has taken place prior to the setting of the
- Annual Precept, by full Council, as is required. The minutes have been documented appropriately.

- Reserves - appear to be in order and a listing of 'restricted' funds is in place.
- IT and Website backup – overseen by the Clerk and appears to be in order.
- Meeting Agendas – in order and Councillors are correctly 'summonsed' to meetings by way of an e-mail cover sheet. The statutory three clear days' notice requirement has been observed.
- Meeting Minutes – in order and decisions have been clearly recorded.
- Information Commissioners Office (ICO) – annual membership has been evidenced.
- General Data Protection Regulations – privacy notices, plus a GDPR policy, are in place.
- Publication Scheme – in place, as is required.
- Complaints Policy – in place, as would be expected.
- Committees – Terms of Reference documents are in place.

#### Employment

- Contract of Employment – in place and in order.
- PAYE/payroll – dealt with 'in house' by the Clerk and documentation evidenced, including HMRC reports, appears to be in order. An update to the Pensions Regulator is due by July 2020 and the Clerk has opted out of any pension scheme. Pay rises and overtime payments have been agreed by the Council and minuted. The Clerk has confirmed that all overtime payments, claimed through expenses, have been subject to PAYE, as is required. I recommend that, as PAYE is dealt with 'in house', the Council supports the Clerk by reviewing the documentation from time to time.

#### Asset Control

- Asset Register – last updated December 2019 and appears to be in order.

#### Banking and Bank Reconciliations

- Bank reconciliations – produced monthly, balanced to the accounts/cash book and signed by Council.
- Authorised signatories – currently standing at 4, which is appropriate.
- Internet banking – in place and the process appears to work well.

#### Year End

- Year-end 31/03/2019 – it was noted that no queries were raised by the External Auditor.
- Year-end 31/03/2020 – the Clerk is currently dealing with the end of year documents and the annual audit requirements and has confirmed understanding of the process.
- Public Rights – the document and process used was found to be in order.

#### Summary

It is my opinion that Winkleigh Parish Council has robust systems of internal control in place so as to support the lowering of risk to the Council. The risk is further lowered by the Clerk being CiLCA qualified. I am, therefore, pleased to be able to report that, within the areas checked, I have found no matters requiring Council attention at this time.

Alison Marshall. May 2020.