**Alby with Thwaite Parish Council**

Internal Audit Report

For Alby with Thwaite Parish Council

Financial Year 2019/20

Including Explanatory Notes for Annual Governance and Accountability Return

(where a ‘no’ has been marked on page 4)

Prepared by M Bergin, 27 June 2020

I have completed an internal audit of the accounts for Alby with Thwaite Parish Council for the year ending 31 March 2020.

My findings are detailed below using the tests provided in the **Governance and Accountability for Smaller Authorities in England March 2018.**

**I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.**

| **Internal control** | **Test** | **Observations** |
| --- | --- | --- |
| Proper bookkeeping | Is the cashbook maintained and up to date? | Yes - spreadsheet |
| Is the cashbook arithmetically correct? | Yes |
| Is the cashbook regularly balanced? | Yes |
| Standing Orders, Financial Regulations and payment controls | Has the council formally adopted Standing Orders and Financial Regulations? | Yes – model standing orders |
| Date Standing Orders last reviewed | Reviewed 7 May 2020 |
| Date Financial Regulations last reviewed | Currently in course of review. |
| Has a Responsible finance officer been appointed with specific duties? | Yes |
| Have items or services above the de minimus amount been competitively purchased? | Yes |
| Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | Yes |
| Has VAT on payments been identified, recorded and reclaimed? | Yes |
| Is s137 expenditure separately recorded and within statutory limits? | No expenditure |
| Have S137 payments been approved and included in the minutes as such? | No expenditure |
| Risk management arrangements | Does a review of the minutes identify any unusual financial activity? | No |
| Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme? | No – but see notes in this report |
| Is insurance cover appropriate and adequate? | Yes |
| Are internal financial controls documented and regularly reviewed? | Yes |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | Yes – December 2019 |
| Has the precept been calculated from the budget and been approved? | Yes |
| Does the budget include an actual completed year? | Yes |
| Is actual expenditure against budget regularly reported to the council? | Yes |
| Are there any significant unexplained variances from budget? | No |
| Income controls | Is income properly recorded and promptly banked? | Yes |
| Does the precept recorded agree to the Council Tax authority’s notification? | Yes |
| Are security controls over cash and near-cash adequate and effective? | Yes |
| Petty cash procedures | Is all petty cash spent recorded and supported by VAT invoices/receipts? | Not applicable |
| Is petty cash expenditure reported to each council meeting? | Not applicable |
| Is petty cash reimbursement carried out regularly? | Not applicable |
| Payroll controls | Do all employees have contracts of employment with clear terms and conditions? | Yes |
| Do salaries paid agree with those approved by the council? | Yes |
| Are salaries above the National Living Wage/Minimum Wage? | Yes |
| Are other payments to employees reasonable and approved by the council? | Yes |
| Have PAYE/NIC been properly operated by the council as an employer? | Yes |
| Asset controls | Does the council maintain a register of all material assets owned or in its care? | Yes but see note |
| Are the assets and Investments registers up to date? When were these last reviewed? | Yes – due for review after current pandemic cleared. |
| Do asset insurance valuations agree with those in the asset register? | Yes |
| Bank reconciliation | Is there a bank reconciliation for each account and is this reported to council? | Yes |
| Is a bank reconciliation carried out regularly and in a timely fashion? | Yes |
| Are there any unexplained balancing entries in any reconciliation? | No |
| Is the value of investments held summarised on the reconciliation? | Not applicable |
| Year-end procedures | Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)? | Yes |
| Do accounts agree with the cashbook? | Yes |
| Has a year-end bank reconciliation been undertaken? | Yes |
| Is there an audit trail from underlying financial records to the accounts? | Yes |
| Where appropriate, have debtors and creditors been properly recorded? | Yes |
| Procedural – including data protection regulation. | Is eligibility for the General Power of Competence properly evidenced? | Not applicable |
| Has the council adopted a data protection policy? | Not applicable |
| Has the council appointed a data protection officer? | Not applicable |
| Has the council carried out an information audit? | Not applicable |
| Have points raised on the last Internal Audit report been considered by council and actioned? | Yes |
| Transparency: For smaller councils with turnover under £25,000 | Minutes for whole year on website? | Yes |
| Agendas for whole year on website? | Yes |
| Payments over £100 detailed on website? | Yes |
| Electors’ rights advertised on website? | Yes |
| Councillors’ responsibilities detailed on website? | Not applicable |
| Last financial year’s Annual Return on website? | Yes |
| Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | Yes |
| Burial Authorities only | Are fees levied in accordance with the Council’s approved scale of fees and charges? | Not applicable |
| Have fees for the cemetery been reviewed and agreed by Council? | Not applicable |
| Were comparisons made with other cemeteries prior to setting the fees? | Not applicable |
| Have burial books been kept up to date and are they safely stored? | Not applicable |
| Allotments | Has a list of allotment holders with amounts paid to Council been submitted? | Not applicable |
| Have fees for the allotments been reviewed and agreed by Council? | Not applicable |
| Councils with charities only | Have Charities reported and accounted separately? | Not applicable |
| Have the Charity accounts been independently audited? | Not applicable |
| Have the Charity accounts and Annual Return been filed within the legal time limit? | Not applicable |

**Summary of my recommendations:**

**This audit was carried out online and via email as recommended by SLCC during the Covid 19 pandemic and there was no face to face visit. In addition to the website documents provided included page 4 of AGAR (internal audit report) for completion.**

**An annual risk assessment is in course of completion. This should include risk associated with the Covid 19 pandemic and the management of ponds. The ownership of the ponds is not with the Parish Council and the District Council should be approached formally and asked to advise on the responsibility for management and maintenance of these facilities. Once this information is to hand, a proper risk assessment can be carried out. Depending on the response from the District Council regarding responsibilities it may well be that the council’s insurers may have to be consulted.**

**Sharing assets with another council is unusual but so long as a note is on the asset register indicating the asset is shared this should not be a problem. There is no need to consult with the other councils regarding this assets.**

**Other than the above matters all items viewed were in good order and the clerk should be congratulated accordingly.**

M Bergin 27 June 2020

……………………………………… …………………………..

Signed Date