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To: Ringmore Parish Council

Date: 22nd April 2017

Internal Audit Report 2016/2017 for Ringmore Parish Council

All Councils are required to implement an annual independent Internal Audit examination of its Accounts and accounting processes. 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 April 2017 Internal Audit for Ringmore 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.

Book Keeping

I have tested that the Council has checked the internal systems regularly and that these checks have been signed for. I have evidenced no issues within this area.

The Councils Financial Regulations were last reviewed in 2015, updated in 2016 by the Clerk to include Electronic Banking, and now require adoption by the Council.

The Councils Standing Orders were last updated in 2014 and are due to be reviewed this year. I would recommend that statutory regulations are listed in bold print as seen in the NALC model version.

There is currently no Ringmore Parish Council website and so the Council does not comply with Transparency Code requirements at the present time. Transparency Code Grant Funding is pending to enable a website to be created. I recommend that a website is set up as a matter of priority and that all required documentation be uploaded onto it as a matter of urgency and so that the Council is compliant with the Code which was introduced in 2014.

Payment Control

Payment controls appear to be in good order and have been regularly reviewed by the Council.

Purchases have been well documented, have accompanying invoices, are covered by relevant Legal Powers and comply with the rules and regulations found within the Standing Orders and Financial Regulations.

VAT has been identified correctly with regular re-claims having been made. VAT re-claim receipts have been monitored and documented correctly within the Accounts.

There is no cash handling to oversee or review.

Section 137 funding has been correctly documented within a separate Accounts column and the allocation has been correctly calculated and adhered to.

A Statement of Internal Control is in place, dated 2015, and should be reviewed annually.

Internet Banking takes place and controls appear to be in order.

The Council reserves, of approximately £4,500, appear to be adequate.

There is currently no borrowing in place for review.

Risk Management and Budget Control

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I have reviewed the Councils Risk Management Schedule, dated 2015, and have identified no issues.

The Councils current Insurance policy was last reviewed in May 2016 and appears to be adequate.

The budgets produced by the Clerk are of a good standard, are easy to read, and are regularly reviewed and a budget has been used to set the annual Precept.

Meeting minutes are clear and easy to read and follow. Agendas should clearly document the actions to be transacted by the Council at the meeting and I recommend that this area be reviewed.

I would recommend that policies are set up covering i) Anti-Fraud and Corruption ii) Complaints iii) Freedom of Information and iv) Data Protection as these would be expected of all Councils.

No Training Policy is currently in place and I would recommend that one be set up.

The Clerk currently uses his own computer for Council work and it is strongly recommended that a Council owned computer is used. The Council should ensure that regular back-ups of Council data are carried out, for security reasons, and that data protection requirements are being adhered to.

I have been advised that the Council is not currently registered with the Information Commissioners Office (ICO) for Data Protection purposes and as this is a requirement for all Local Councils I would recommend that this be actioned as soon as possible at a current cost of £35 per year.

A Code of Conduct is in place and should be revisited by all Council members annually.

Payroll

Payroll is dealt with by the District Council, the Clerk is correctly employed, a Contract of Employment is in place and the PAYE paperwork appears to be in order.

Annual staff appraisals, which are known to benefit both employer and employee, do not appear to take place and I would recommend that this be considered.

To date the recent changes in pension regulation have been adhered to.

Asset Control

The Councils Fixed Asset and Investment Register appears to be up to date and is reviewed regularly. The Clerk demonstrated a good understanding of the workings and requirements of this document.

Bank Reconciliations

Monthly Bank reconciliations are produced by the Clerk and agreed by Council to the Bank statements. No issues have been identified within this area.

Year End

The Accounts to 31/03/2017 are being finalised and the Annual Return is being addressed. The Clerks has demonstrated a good understanding of year end requirements and procedures.

The receipts and payments method has correctly been identified and used within the Accounts.

I have signed off the Internal Audit Report indicating no matters of concern.

Summary

I am pleased to be able to advise that, within the areas checked as abovementioned, it is my opinion that Ringmore Parish Council has effective systems of control in place which, as a result, supports the lowering of risk to the Council. I would, however, request that the recommendations noted within this report are considered by the Council, at its earliest convenience, as they have been provided to support future risk and internal control management.