

## **Alison Marshall Local Council Administration Services**

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To: Ringmore Parish Council

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### **Internal Audit Report 2017/2018 for Ringmore 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 April 2018 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.

#### **Standard Documentation**

- The Council has tested internal control systems regularly and I have found no issues within this area.
- The Financial Regulations were last reviewed in October 2016 and appear to be in order.
- The Standing Orders were last reviewed in September 2016 and it was disappointment to see that my recommendations from last year had not been taken up and so again I recommend that the statutory requirements within this document are highlighted in bold type as is required.
- A Code of Conduct is in place and the Clerk should change the heading to Ringmore PC.
- I recommend that the above three documents be uploaded to the website a.s.a.p. for public view.
- Transparency Code not all the required documents have been uploaded to the website in order to comply with the Transparency Code and I recommend that this matter be addressed a.s.a.p.

#### **Public Funds**

- Payment controls are in place, with the Council overseeing all payments on a monthly basis, and no issues have been identified within this area.
- Purchase and payment documentation appears to be in order with no issues identified.
- VAT is claimed regularly, with the last claim being made in December 2017, and documented.
- Petty Cash is not held and so no checks are required.
- The Accounts are kept up to date and are easy to read. The Receipts and Payment method is correctly being used.

- Section 137 the requirement for a separate column in the Accounts for S137 payments is in place and funding is being allocated correctly.
- There is currently no Grant Funding Policy in place and again I recommend that this be considered.
- 'Other' income from, for example, fund raising is being accounted for adequately.

### **Risk Management and Budget Control**

- The Councils Risk Management Schedule is dated September 2016 and I recommend that this document is reviewed, and the date amended, annually. The document appears to be in order.
- The current general Insurance policy appears to be adequate.
- A Budget has been used to set the annual Precept and details have been correctly recorded in the January 2018 Meeting Minutes.
- Reserves appear to be of an adequate amount.
- There is no Anti-Fraud and Corruption Policy in place and **I recommend that this be considered.**
- There are no Data Protection, Freedom of Information, or Complaints Policies in place and I recommend that these be set up as soon as possible.
- Training of staff and Councillors takes place, as deemed appropriate, but no Training Policy is in place and I recommend that this be considered.
- A Statement of Internal Control is in place and was last reviewed in June 2017.
- IT backup is completed by way of an external hard drive and I recommend that regular backups are kept off site by way of USB stick as an additional safeguard.
- The PC used belongs to the Clerk and I recommend that the Council's laptop be used a.s.a.p.
- The meeting Agendas reviewed were of an adequate standard with Councillors correctly being 'summonsed' to full meetings and with the required notice being accommodated. The last Agenda on the website was for November 2017 and I recommend that this be looked into a.s.a.p.
- The meeting Minutes reviewed were of a good standard but the last minutes appearing on the website were for October 2017 and I recommend that minutes are posted within a month of a meeting going forward and that this matter be corrected a.s.a.p.
- It was noted that the Council is not currently at full membership and that action is being taken in order that a new Councillor can be co-opted as soon as possible.
- Information Commissioners Office (ICO) it was disappointing to see that my recommendation to join this organisation, as is required by all local Councils, has not been taken up and so again I recommend that this matter be looked into a.s.a.p. in order to comply with requirements.

### **Employment**

- The Clerk is the only employee and a signed Contract of Employment is in place.
- Pay is outsourced and Pension requirements have been addressed.

- Official staff appraisals and pay reviews do not currently take place annually and I recommend that this be addressed as would be usual for any employer/employee situation.

#### Asset Control

- The Councils Asset and Investment Register is up to date and appears to be in order.
- The Councils general Insurance policy has been updated to reflect any new assets.

#### Banking and Bank Reconciliations

- Regular bank reconciliations have been produced and have been approved by the Council.
- On-line banking is used for some payments and the process appears to be adequate with two Councillors authorising payments at full Council meetings.

#### Year End

- The Accounts to year end, as at 31/03/2018, have been prepared and the Clerk demonstrated a good understanding of this year's new Audit process.
- I have signed off the Internal Audit Report, within the new Annual Governance and Accountability Return, indicating that sufficient internal controls are in place.

#### Summary

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

April 2018

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