

# Alison Marshall - Local Council Administration Services

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To: Ringmore Parish Council

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## **Internal Audit Report 2020/2021 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 this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these systems.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. Recommendations for Council consideration have been highlighted in bold print.

### **Standard Documentation**

- The Council has tested internal control systems regularly.
- The Financial Regulations document was adopted in May 2020 and is in order.
- The Standing Orders document was adopted in May 2020 and is in order. A Covid 19 addendum Standing Orders document has also been adopted which evidences good practice.
- A Code of Conduct is in place, adopted in May 2020, and is in order.
- The Transparency Code for smaller authorities is applicable as the Council's annual turnover has fallen to below £25,000. A website is in place, as is required. **The website is in need of updating and I recommend that this is done as a matter of priority.**
- A Website Accessibility Review has taken place and a suitable Statement appears on the website.

### **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.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable.
- The accounts have been kept up to date and there is a separate column for Section 137 payments.
- The receipts and payments method has been correctly used.

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

- A Risk Management Scheme, dated May 2020, is in place and is in order.
- There is an annual general Insurance policy in place which appears to be in order.
- A budget document has been produced and regular reviews have been carried out. The annual precept has been set by full Council and by use of the budget document. The minutes record the matter appropriately.
- Reserve funds appear to be adequate for the size of the Council and a 'listing' is in place.
- Meeting agendas are in order and Councillors are correctly 'summonsed' to full meetings. The required notice period has been adhered to.

- Meeting minutes are in good order and decisions have been recorded appropriately. **Some documents remain in draft format on the website (September 2020 meeting minutes) and there is no meeting agenda for September 2020.**
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- There is a General Data Protection Policy in place, a Privacy Statement, Publication Scheme and Complaints Policy which represents best practice.
- There are no Committees in place at the moment.

### **Employment**

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is dealt with by SHDC and the documentation viewed appears to be in order.
- Pay reviews have taken place and salary changes have been minuted.
- Pensions Regulator – the documents viewed stated the name of the previous Clerk and I **recommend that the information is updated as soon as possible if not already done.**

### **Asset Control**

- The Asset and Investment Register has been recently updated and the large decrease in overall asset value has been justified.

### **Banking and Bank Reconciliations**

- Bank reconciliations have been produced regularly.
- Internet Banking is used. I **recommend that the process is reviewed in order that evidence that the required number of authorised signatories have confirmed accuracy of the payments following the transactions being made by the Clerk can be held. Bank statements, or a standalone document detailing the payments for each month, could be signed by the required authorised signatories and kept with the invoices, for example.**

### **Year End**

- Year end to 31<sup>st</sup> March 2020 – the documents are in order and the Certificate of Exemption option has been correctly agreed and used however, **the Certificate of Exemption has not been uploaded to the website as is required. The AGAR Section 2 evidences that box 11 was left uncompleted. I recommend that all AGAR boxes are checked for completion prior to sign off going forward.**
- Public Rights – the document has been completed correctly and published.
- Year end to 31<sup>st</sup> March 2021 – the Clerk is currently dealing with the documents and has acknowledged understanding of requirements.

### **Summary**

It is my opinion that proper practices have been followed and that the Council has some robust systems of internal control in place so as to support the lowering of risk. I have highlighted a few areas for Council consideration in order that risk management and governance processing can be further improved. In general, the documents and processes appear to be in very good order.

It is pleasing to see that the Clerk has recently passed the CiLCA qualification which will be of great benefit to both the Clerk and the Council.

Alison Marshall April 2021

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