

# Ansley Parish Council

## Internal Audit Report for the Financial Year ending 31<sup>st</sup> March 2019

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2018/19.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on the 7<sup>th</sup> April 2019.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

### **Book Keeping**

- The financial totals as at 31 March 2018 have been brought forward accurately.
- The cashbook is up to date.
- The calculations are correct.
- VAT is evidenced, recorded correctly and reclaimed.
- The payments have been checked and all were supported by invoices, authorised or minuted. (see page 4).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- The Council has the General Power of Competence and therefore S137 is not recorded separately.
- There is no evidence that grants are paid.

### **Recommendation:**

#### **I recommend that:**

- **At the Annual Meeting it is checked that the Council is still eligible for the General power of Competence and that this is minuted.**

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## **Due Process**

- Standing Orders adopted since 2012 were available and have been reviewed in May 2018 and minuted.
- Financial Regulations have been reviewed in May 2018 and minuted. They are tailored to the council and purchasing authority is defined.
- There is no evidence of investments or loans.
- There is evidence available that 3 quotations had been received for works/services provided to the council.
- There is evidence of grants received.
- There is evidence that financial checks have been carried out by Councillors and this is minuted.
- Petty cash is supported by receipts and minuted. There is no evidence that there is a physical check of cash by a Councillor. Previous audits have noted that carrying out an independent ad hoc check of the petty cash float would be disproportionate to the inconvenience and cost of doing so.
- An Equal Opportunities Policy has been adopted.
- A RFO has been appointed.
- The Disclosable Pecuniary Interests Form have been completed for all Cllrs and all Councillors details are available on the website.
- Signed Agendas are available on the website and always displayed at least three clear days prior to a meeting.
- A Councillor signs and dates the bank reconciliations on a quarterly basis to confirm that bank reconciliations have been carried out accurately as part of Parish Councillor Scrutiny role.
- The Parish Clerk signs and dates the bank reconciliations on a monthly basis to confirm that bank reconciliations have been carried out and the total of the bank account agrees to the cashbook totals.
- Each month receipts/payments and balances are summarised and supplied to each Councillor at the meetings.
- There is evidence that apologies are minuted.
- Declaration of members interests are minuted.
- The council conforms to the Transparency Code.
- The Mining Wheel Committee has terms of reference.

### **Recommendation:**

#### **I recommend that:**

- **There is a review of the Committee Terms of Reference.**

## **Risk Management**

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments are available.
- A Health and Safety Policy is available.
- There is no evidence of a Lone Working Policy or Working From Home Policy.
- An Emergency Plan is available should anything occur which would threaten the continuation of the Parish Council activities on a day to day basis, including fire or flood.

## **Ansley Parish Council**

- Minutes are consistently initialled and signed. Pages are identified.
- Financial payments are added to the Agenda as an Appendix and the bank balance is regularly reported.
- A Risk Assessment is formalised and adopted by the Parish Council.
- Annual insurance is renewed and is adequate with a three year policy in place.

### **Recommendation:**

#### **I recommend that:**

- **A Lone Working Policy is drawn up, formalised and adopted by the Parish Council.**
- **A Working From Home Policy is drawn up, formalised and adopted by the Parish Council.**

### **Budget**

- An annual budget is prepared, discussed and adopted by the council.
- There is evidence that Ansley PC have considered the level of the precept.
- The precept demand is approved and correctly minuted.
- There is evidence of budget setting and earmarked reserves.

### **Payroll – Clerk/RFO and Caretaker**

- A Contract of Employment is customised and signed.
- The contract is reviewed annually.
- There is evidence that the PAYE/NI has been paid and approved.
- There is compliance with Minimum wage requirements.
- There is evidence of current Employers Liability Insurance.
- There is evidence of a Grievance and Disciplinary procedure.

### **Asset Control**

- An Asset Register is kept and is up to date with the value of individual assets listed.

### **Bank Reconciliation**

- There is evidence of a bank reconciliation.
- Cheque stubs are correctly completed and initialled.
- There is evidence that this has been reviewed by Councillors and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

# Ansley Parish Council

## Banking and Investments

- It was noted that the Parish Council has two accounts: Ansley Parish Council Current Account No 61255029 and Deposit Account 43192407.
- The Deposit Account is maintained for funds not immediately required.

## Year End Procedures

- Year end accounts are prepared correctly and bank statements and ledger reconciled.

## Misc

- The points raised at the last audit have been addressed. A Data Protection Officer (DPO) does not need to be appointed as personal data is not processed for regular and systematic monitoring of data subjects on a large scale, or the processing of sensitive personal data on a large scale.
- The Council adopted a Code of Conduct in 09/12. There is evidence that all councillors have signed the Code of Conduct.
- The Clerk informed me that all electronic files are backed up to a portable hard drive.
- Arrangements are in place for public inspection of the Councils records.
- The Council is registered with ICO.
- There is evidence of progress towards compliance with GDPR. A data consent form exists and a record of data held with the reason for keeping the data.
- The Clerk informed me that the Council does not use any social media but there is a parish website and therefore a Social Media Policy should be adopted.

### **Recommendation:**

#### **I recommend that:**

- **A Social Media Policy is drawn up, formalised and adopted by the Parish Council.**

For the year 2018/19 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
102226	J Sands	563.60
102253	M Douglas	610.00
102269	CA Belcher	636.00
102296	J Sands	145.37
102305	4 Counties Ground Maintenance	162.50
100312	JE Sands	27.00

# **Ansley Parish Council**

## **Conclusion**

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control with the exception of where recommendations have been made in this report.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

**Eleanor Choudry, CiLCA, AAT**

**Internal Auditor**

7<sup>th</sup> April 2019