

# Alison Marshall - Local Council Administration Services

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To: Blackawton Parish Council

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## **Internal Audit Report 2020/2021 for Blackawton 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.
- A Financial Regulations document is in place and appears to be in order.
- A Standing Orders document is in place and appears to be in order.
- A Covid 19 addendum Standing Orders has **not** been adopted, as would have been expected, but the minutes do detail contingency measures.
- A Code of Conduct is in place and is in order.
- The Transparency Code for smaller authorities applies and a website is in place which holds all the required documentation in relation to the Code.
- A Website Accessibility Statement is in place.
- Membership – the Council is at full membership.

### **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 are in order and the receipts and payments method has been used.
- A column for Section 137 payments is in place and the 'power' has been used appropriately.
- Two Councillors have received expenses and the documentation for this is in order.
- 'Other' income, such as from the Cemetery, has been accounted for.

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

- A Risk Management Scheme is in place and is in order.
- The annual general Insurance policy appears to be in order (expires 03/05/2021).
- A budget document has been produced and use to set the annual Precept by full Council. **The precept outcome has been minuted but the amount has not been documented. As the public are**

usually quite interested in this area, and for transparency, I recommend that full details of the Precept amount is minuted going forward.

- Reserve funds appear to be on the high side for the size of the Council. Although a good 'reserved fund listing' is in place, the 'general reserves' figure seems high with no specific reason for this listed. I recommend that the matter of 'reserved funding' is considered and that any excess funding is either accounted for or used to off-set the Precept in future years.
- 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 order and decisions have been well recorded.
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- There is a GDPR Privacy Notice in place together with a Publication Scheme.

### **Employment**

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is dealt with by the Clerk and the documentation, along with that of the pension payments, appears to be in order.
- Pay reviews have taken place and pay rises have been minutes, along with overtime payments.

### **Asset Control**

- The Asset and Investment Register has been recently updated and is in good order.

### **Banking and Bank Reconciliations**

- Bank reconciliations have been produced regularly and circulated to the Council.
- Internet Banking is used and the process appears to work well. If not already in place, the Council should ensure that there is a process for authorised signatories to check and evidence the accuracy of payments once processed.

### **Year End**

- Year-end 31/03/2020 - the option to use the Certificate of Exemption was exercised and the process has been followed correctly.
- Public Rights - the exercise of public rights form, and the process, has been followed correctly.
- Year-end 31/03/2021 - the Clerk is in the process of completing the year-end documents and has confirmed understanding of requirements.

### **Summary**

It is my opinion that proper practices have been followed and that the Council has robust systems of internal control in place so as to support the lowering of risk. I have highlighted a few areas for Council consideration to support further the effectiveness of risk management and governance processing.

It is always pleasing to see documents in such good order.

Alison Marshall April 2021

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