

Norton Fitzwarren Parish Council Internal Audit Report Financial Year 2019-20

Internal audit and review of audit controls carried out by:

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Date of completion of audit 2nd July 2020

Testing was carried out covering a range of financial, risk, governance and transparency assessed as appropriate for a council of this size and complexity.

Tests	Y/N	Comments & Recommendations
Financial		
Eligibility for Certificate of Exemption 2019/20	N	Receipt and payments are above £25,000 so the Council does not qualify for a Certificate of Exemption.
Accounting basis	N/A	Accounts are prepared on a receipts and payments basis. The cash booked is balanced for 2019-20.
Statement of internal control	N	Would be required if subject to a Limited Assurance Review
Review of Effectiveness of Internal Audit	N	For guidance - Governance & Accountability for Smaller Authorities in England - Authorities should, at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. Any review should balance the authority's internal audit needs and usage. It should be designed to provide sufficient assurance for the authority that standards are being met and that the work of internal audit is effective. Authorities judge the extent and scope of the review by reference to their own individual circumstances.
Banking arrangements	N/A	HSBC cheques and online banking, Clerk has a commercial card on a separate account – a direct debit ensures this is paid off each month. There is a 'holding account' for the Youth Club.
Financial Regulations in place and up to date	Y	Financial Regulations are in place. These were reviewed on 03.07.19, In case the Council was not aware, new Model Financial Regulations came out later in July 2019 so the Council should adopt the updated version at the next review.
Petty cash	N	No petty cash.
Accounts – arithmetic check	Y	Yes. Spreadsheet balanced and agrees with Receipts and Payments Report and Accounting statement
Payments correctly authorised / payment controls – minuted and signatories	Y	Payments to be made are authorised at meetings. The direct debit payment for the website is agreed annually, as is the online payment of the Clerk's salary and HMRC payments (08.05.19). Payments made on the commercial card do not seem to get reported. Invoices could be checked and the statement signed and reported to Council.
Payments correctly recorded	Y	Spreadsheet checked against invoices and minutes

S137 correctly identified	N/A	No S137 payments
Income correctly recorded	Y	Checked against remittances and spreadsheet. The second allotment receipt was received in 2020-21 due to COVID-19.
Budget for 2019-20 documented and approved	Y	A detailed budget for 2019-20 was approved 03.12.18 Minute ref: 08.12.18.
Precept 2019-20 approved	Y	£32,500 agreed on 03.12.18, Minute ref: 8.12.18, and requested from TDBC. Correctly received from SW & T.
Review of charges for services	Y	Quotes were discussed at the January meeting, the month after the budget was agreed.
Regular budget monitoring reports produced	Y	Quarterly budget monitoring reports are produced.
Bank reconciliation – evidence of regular checks	Y	Monthly bank reconciliations on bank statements. The signed forms do not show cheques that have not been drawn.
Bank balances at 31 March 2020 agrees to accounts	Y	Bank reconciliation at 31.03.20 agrees to three accounts. Commercial card account not shown despite payments being made.
Variance analysis	Y	Completed.
VAT correctly accounted for	Y	Invoices and spreadsheet checked.
VAT return accurate and completed	N	VAT reclaimed up to 31.03.20.
Adequacy of reserves	Y	£32,826.02 of general reserves – slightly less than the precept. CIL funds of £6,657.22 intended for additional play equipment. The PWBL will be fully repaid during 2020-21
Accounting statement 2019-20	Y	Figures agreed with Receipts and Payments Summary 2019-20.
Risk management		
Appropriate action taken on all reports from internal and external audit	Y	Some points raised by the Internal Auditor for 2018-19 were queried and answered by the Clerk. Any other points have been addressed. No points raised by external audit.
Insurance cover	Y	BHIB Ltd three-year agreement. 2020-21 is the final year. £10,000,000 Public/Products Liability Cover.
Employer liability certificate	Y	£10,000,000 cover
Fidelity guarantee adequate	Y	£250,000 cover
Risk register in place, up to date and reviewed within last 12 months	Y	Reviewed 05.06.19. Annual playground inspection by Rospa in June 2019. 2016 version on website.
Staffing		
Contract of employment in place	Y	The Contract of Employment was not looked at.
Payroll / PAYE / NI arrangements	Y	HMRC Payroll used. Documents evidence monthly submissions.
Year end P60	Y	Copy supplied for internal audit.
Are the Clerk's expenses reasonable and approved by the Council	Y	Share of landline phone bill and home working expenses. Stamps, stationery etc purchased on card. Please see comments above.
Training received in year	Y	
Absence Management Policy	N	Information on absence is probably in the Contract of Employment.
Annual Leave Policy	N	Information on leave entitlement is probably in the Contract of Employment.

Grievance Policy	N	Information on the grievance procedure is probably in the Contract of Employment.
Disciplinary Policy	N	Information on the disciplinary procedure is probably in the Contract of Employment.
Information on website		Norton Fitzwarren PC is not a smaller authority with turnover under £25,000 that has to comply with the Transparency Code but it is recommended that Councils above this level should provide at least the same amount of information on their website.
Agendas – agenda items clear on decisions needed	Y	Supplied prior to meetings
Minutes – adequately numbered, decisions clear, payments approved	Y	Published on website. Decisions clear and payments approved. A scan of the minutes did not show any unidentified risk
Annual Governance Statement 2018-19	Y	Published on website. This was signed before the report was received from the Internal Auditor. The report from the Internal Auditor informs the signing of the Annual Governance Statement.
Accounting Statement 2018-19	Y	Published on website
Asset Register	Y	2017 version on website
Exercise of Public Rights	Y	Conclusion of audit published on the website
Councillor responsibilities or representation	Y	Chair and Vice-chair shown. No outside representation.
Members		
Code of Conduct in place and up to date	Y	Reviewed 03.07.19.
Register of interests up to date and on website	N	The website states that Register of Interest Forms are available from the Clerk but they were not checked during audit. There could be a link to the relevant page on the SW & T website. I did try looking at this on the SW & T website but the link didn't work.
Training received in year	Y	Essential Councillor and planning training
Other policies and procedures (in place and up to date)		
Standing Orders	Y	Reviewed 03.07.19. The copy seen by the Internal Auditor is not the most recent Model Standing Orders 2018 (England) July 2018. Using the most up to date version ensures that they refer to current legislation.
Anti-fraud and Corruption	N	Good practice
Data Protection Policy	N	
Privacy Statement	N	
Awarding of Grants	Y	
Freedom of information Requests	Y	
Equality Opportunities	N	
Complaints	Y	
Other matters		
Information publication scheme	Y	
Website management	Y	Hosting & support/ Please note accessibility requirements for 23.09.20
IT backup	N	

I have carried out the internal audit for 2019/20 in accordance with what I have considered to be this authority's needs and planned coverage. On the basis of the findings in the areas examined above, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority. There were no matters of non-compliance identified.

The AGAR Internal Audit Report has been signed.

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02.07.20