

INTERNAL AUDIT REPORT

FOR

**AVON DASSET
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2019 - 2020

Prepared by: Bill Robinson

Issued May 2020

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Avon Dasset Parish Council

This report has been prepared solely for Avon Dasset Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



Avon Dassett Parish Council Internal Audit for the Financial Year 2019 - 2020

Due to the Covid-19 restrictions on movements this Internal Audit was undertaken via the Avon Dassett Parish Council website and details transmitted electronically commencing on 16th April 2020

Accurate book keeping

- Entries to the cashbook / spreadsheet were checked and found to be up to date and correct.
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following payments was carried out.
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Payments

For year 1st April 2019 to 31st March 2020

Cheque Number	Minute ref.	Payee	Amount
Elec.Payment	13/05/2019	T.Fox	£373.20
Elec.Payment	13/05/2019	WALC	£104.00
Elec.Payment	03/06/2019	W.Robinson	£90.00
Elec.Payment	08/07/2019	T.Fox	£373.20
Elec.Payment	08/07/2019	Pro Steam	£750.00
Direct Debit	05/08/2019	Numbers Plus	£118.80
Elec.Payment	02/09/2015	Stratford DC	£593.48
Elec.Payment	07/10/2019	T.Fox	£373.20
Elec.Payment	07/10/2019	PKF Littlejohn	£240.00
Elec Payment	07/10/2019	T.Fox	£186.00
Elec payment	11/11/2019	Playsafety	£99.00
Elec.Payment	11/11/2019	D.Hicks	£138.00
Elec.Payment	09/12/2019	Wicksteed	£1241.40
Elec.Payment	09/12/2019	Total Fast Power	£61.85
Elec.Payment	13/01/2020	T.Gill	£32.00
Elec.Payment	03/02/2020	JC Countryside Serv.	£707.48
Elec.Payment	03/02/2020	Wicksteed	£1642.61
Elec.Payment	02/03/2020	Zurich	£494.09
Elec.Payment	03/02/2020	Warwickshire CC	£142.27

All payments matched to the individual invoice, bank statement and minute reference.

All payment audit trails were satisfactory

It was noted that a summary of accounts is held on the financial spreadsheet with variances to the budget listed – this is good practice

It was noted that all Direct Debits are listed on the financial spreadsheet

It was noted that all ring fenced funds are listed on the financial spreadsheet

Receipts.

It was noted that all receipts were properly accounted for

Minutes of the Parish Council meetings

All minutes checked, and found to be satisfactory, with no unusual activity.

It was noted in the minutes of the meeting April 2019 meeting that a budget analysis has been provide for Councillors

It was noted in the minutes of the meeting on 13th May 2019 that individual Councillor roles and responsibilities were agreed – it is a good practice to formalise individual Councillor roles and the Parish Council is to be congratulated.

It was noted that in the minutes of the meeting on 05th August 2019 an individual Councillor was authorised to write to Stratford On Avon District Council planning department on behalf of the Parish council regarding a planning application comment, whilst this is permissible formal letters from the Parish Clerk regarding any matters should always come from the Clerk to avoid any potential conflicts of interest.

Parish Council Agendas

It was noted that all agendas were properly signed, dated and with no unusual activity listed

Budget Controls

It was noted that the Clerk/RFO continues to prepare a regular budget update for Councillors to study, and minutes that fact that this has been done, and the overall budget was the result of a formal process. The Parish Council and its Clerk/RFO are to be commended on this practice.

It was noted that a monthly financial statement for Councillors was produced which reconciles to the bank statements – this is good practice.

It was noted that the Clerk ensures that a formal proposal for the payment of invoices is be seen on all minutes.

It was noted in minutes of the meeting on 11th November 2019 that the process for determining the budget and precept for the following year was commenced – it is good practice to commence the budget discussions early.

It was noted in the minutes of the meeting on 09/12/2019 that the budget and precept levels have been set for the following year (2020-2021)

Income Control

It was noted that all receipts were banked promptly, and the paying in book satisfactorily checked against the bank statements.

It was noted in the minutes of the meeting on 3rd May 2019, that VAT repayments for the financial year 2019 – 2020 will be submitted in that month.

Payroll

It was noted that responsibility for the payment of taxes, NICS, and pensions are now being undertaken by the Parish Council.

It was noted that the Parish Council fulfilled its pension obligations

Receipts and payments spreadsheet

The receipts and payments spreadsheet was checked and found to be accurate

Year end Accounts

The year end accounts were checked and found to be arithmetically correct.

The internal auditor completed and signed page 3 of the AGAR 2019-2020 from PKF Littlejohn.

AGAR 2018-2019

It was noted in the minutes of the Annual meeting that the Annual Governance and Annual Accounting Statements were formally approved by the Parish Council, and signed by the Chairman. It was noted in the minutes of the 13th May 2019 meeting that the AGAR has been submitted to PKF Littlejohn.

Sec.137 payments

It was noted that Avon Dassett Parish Council payments under this power are well within the statutory limits.

Internal audit review

It was noted that the Parish Council reviewed the 2018-2019 internal auditor's report for effectiveness and recorded in minutes of the meeting held on 13th May 2019.

Financial Regulations

The Financial Regulations were checked on the Parish Council website

It was noted that the model Financial Regulations have been reviewed and adopted on 13th May 2019. It was noted that a credit card issued in the name of the Parish Council and controlled by the Clerk/RFO and the Chairman of the Parish Council was approved to utilise the payments to the sum of £250, with a monthly limit of £500. It would be in the interest of the Parish Council were any such payments listed for notification at the next Parish Council meeting.

Standing Orders

The Standing Orders were checked on the Parish Council website

It was noted that the model Standing Orders have been reviewed and adopted on 13th May 2019.

It was noted in standing Order policy 3d (a-p) that all Parish Council policies and procedures are formally reviewed and adopted – this is a good idea.

Insurance

It was noted in the minutes of the meeting on 22nd May 2019 that the Council reviewed its insurance with Zurich – it is a good idea to enter into multi - year arrangements when a lesser cost can be arranged.

Risk assessment

The Risk Assessment document was checked on the Parish Council website and found to be a comprehensive assessment of all likely risks to the Parish Council and the Council is to be congratulated on the document.

It was noted that the document has been reviewed and adopted on 13th May 2019.

Asset Register

The asset register was held on the financial spreadsheet and the figures agreed with the amount shown on the AGAR - the council is to be congratulated on the clarity of its register.

Cemetery

It was noted that the cemetery is now in use, and the regulations and map were checked and found satisfactory.

The Parish Council also needs to be aware that it has a requirement to carry out a risk assessment on any headstones placed in the cemetery.

It might be in the Council's interest to consider a bespoke cemetery mapping system from an outside source.

Data Protection and Transparency Act

It was noted that Avon Dassett Parish Council is compliant with the transparency act and is to be congratulated on its website.

It was noted in the minutes of the Annual meeting that the Clerk was confirmed as Data protection Overseer and Data Protection Officer –the Parish Council is to be congratulated on the formalisation of the offices.

Grants Policy

It was noted that the Parish Council has a formal grants policy approved in the minutes of the 8th August 2018 that lays down a constant reference source for the application of grant funding from the Parish Council. It was further noted that there is a standard application for the grants policy leading to a uniform means of applying for funding irrespective of which organisation or group within Avon Dassett that is asking for grant funding. This is a good document that lends clarity to the whole grant funding process.

Website

In addition to the above the following policies of Avon Dassett Parish Council were reviewed online:-

Communications policy: This policy was approved on 13th May 2019 and secures the security of the emails for PC matters

Data Protection policy: This document was approved 13th May 2019 – this is good policy

Freedom of Information: This document was approved 13th May 2019 – good document.

Planning Standing Orders: Updated and approved 13th May 2019 – good document sets out the Councils policy on responding to planning matters. However it might be in the Council's interest to look at policy 2(b) again where it states "response will be agreed by 3 councillors" it might be better were the policy to read "response will be considered by 3 councillors", this would remove any ambiguity about who makes the decision under delegated powers.

Reserves Policy: Approved 13th May 2019 and states how the Parish Council will manage its reserves this is a good document.

Retention of Documents: Approved 13th May 2019 and states how the Council will manage all documentation of the Council and how long it will be kept.

The Parish Council is to be congratulated on the clarity and content of its website

Conclusion

Whilst undertaking the Internal Audit, it became apparent that Clerk is carrying out her responsibilities in a manner consistent with the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are only for Avon Dassett Parish Council to consider, and implement only if the Council feels that they will improve the Council's procedures.

It will be noted that in the Internal Audit Report 2019/20 of the AGAR Return 2019/20 Part 3 the internal auditor marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Avon Dassett Parish Council it means that there is no petty cash, a letter to PKF Littlejohn to that effect has been added by the internal auditor

This concludes the Internal Audit.

Signed.....Dated 24th April 2020

W.J.Robinson