Alison Marshall - Local Council Administration Services

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The Clerk
Witheridge and Tawstock Parish Councils
3 Drakes Meadow
Cheriton Fitzpaine
Crediton
Devon EX17 4HU

20th April 2018

Dear Peter,

Please find enclosed the completed Internal Audit Reports for both Witheridge and Tawstock Parish Councils together with my Invoices for the completed service.

I hope that the Councils finds my Reports of use but should they have any queries please do not hesitate to get back to me. I am happy to e-mail you a copy of the Reports should you so wish.

If either Council would like to secure my services for next year please let me know by year-end.

Kind regards,

AMarshall

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Encs.

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To: Witheridge Parish Council

Date: 20th April 2018

Internal Audit Report 2017/2018 for Witheridge 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 the Internal Audit is to conclude as to whether a Councils systems of financial and other internal controls are adequate and effective. Testing has been carried out using a sampling system as deemed appropriate for the size of the Council.

This report details the results of the April 2018 Internal Audit for Witheridge Parish Council which has been carried out in accordance with the requirements as detailed within the Governance and Accountability Practitioners Guide. The report also provides recommendations for the improvement of internal processes and a general summary for Council consideration.

Standard Documentation

- The Council has tested internal control systems regularly and I have found no issues within this area.
- The Financial Regulations were last reviewed this month and appear to be in order.
- The Standing Orders were last reviewed in March this year and appear to be in order.
- A Code of Conduct is in place and is in order.
- Transparency Code this does not apply due to the Councils current annual turnover but it is recommended that all relevant documentation is posted on a Local Council's website for public view.

Public Funds

- Payment controls are in place and a payment schedule is produced and reviewed monthly. I have found no issues within this area.
- Purchase and payment documentation cross checked to the Accounts evidenced no issues.
- VAT requirements have been adhered to with the most recent claim having just been completed this month. No issues identified.
- Petty Cash is not held – no checks required.
- The Accounts are up to date and are easy to read and understand.
- Section 137 payments are documented correctly within the Accounts and rules have been adhered to.
- A Grant Funding Policy is in place and appears to be appropriate for the Council's needs.
- New Council borrowing of £30,000 has recently been secured and the paperwork is on file.
- Income has been accounted for within the Accounts correctly.

Risk Management and Budget Control

- A separate Risk Management Scheme/Schedule is not currently in place and I **recommend** that this be considered although the Council may feel that this area has been covered by other documents on file. .
- The Councils current general Insurance policy is in order, and is quite extensive, and has been regularly reviewed. No issues found within this area.
- A Budget document (November 2017) has been correctly used by the Council to set the Precept although it seems that the Precept has been resolved at a Committee Meeting which has no delegated

authority. Even if ratified by full Council at a later date **I recommend** that future Precepts are set at a full Parish Council Meeting as is required.

- Reserves, including earmarked funding, have been accounted for and well documented.
- There is an Anti-Fraud and Corruption Policy, a Freedom of Information Policy and a Publication Scheme in place. I was not able to use the website link for the Publication Scheme and **I recommend** that this be looked into.
- There is no Complaints Policy currently in place and **I recommend** that this be considered.
- Training of staff and Councillors takes place, as deemed appropriate, but no Training Policy is in place and **I recommend** that this be considered.
- A Statement of Internal Control is in place and is in order.
- IT backup is completed by way of Dropbox and **I recommend** that an external hard drive also be used and be kept off site for additional security.
- The meeting Agendas are off a good standard and Councillors are correctly 'summonsed' to meetings.
- The meeting Minutes are brief but capture all that is required with resolutions made clear.
- The Council is not currently at full membership and the Agendas correctly cover co-option.
- Annual membership of the Information Commissioners Office (ICO) was confirmed by the Accounts.
- Trust documentation appears to be in order.

Employment

- There are two employees and the Clerks Contract of Employment is in order. There is no Contract of Employment for the second employee and **I recommend** that this be addressed.
- Payroll - the Accounts evidence payment of salary, PAYE and pensions.
- Staff appraisals/pay reviews do not appear to officially take place and **I recommend** that this be reviewed as all employers are expected to carry out documented regular staff reviews.

Asset Control

- The Councils Asset and Investment Register is up to date and in order. **I recommend** that this be uploaded to the website for public view.

Banking and Bank Reconciliations

- Regular bank reconciliations have been produced and are in order.
- A cheque book was reviewed and all stubs checked had been initialled, correctly, by two Councillors.

Year End

- The Accounts to year end have been prepared to 31/03/2018 and understanding of the new Audit process has been confirmed by the Clerk.
- I have signed off the Internal Audit Report, within the new Annual Governance and Accountability Return, indicating no matters of concern.

Summary

I am pleased to be able to report that, within the areas checked as abovementioned, it is my opinion that Witheridge Parish Council has effective systems of internal control in place which, as a result, supports the lowering of risk to the Council. I would request that the Council considers the few recommendations noted within this report, at its earliest convenience, as they have been provided to support future risk and internal control management.

AJ Marshall.

Alison Marshall.

Alison Marshall – Local Council Administration Services

Annual Internal Audit Report 2017/18

WITHERIDGE PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			NOT USED ✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 19/04/18

Name of person who carried out the internal audit: ALISON MARSHALL

Signature of person who carried out the internal audit: AJ Marshall

Date: 19/04/18

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).