

Alison Marshall - Local Council Administration Services

Dinneford House, Dinneford Street, Thorverton, Devon EX5 5NU

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The Clerk
Witheridge Parish Council
3 Drakes Meadow
Cheriton Fitzpaine
Crediton
Devon EX17 4HU

22nd April 2019

Dear Peter,

Please find enclosed the completed Internal Audit Reports for Witheridge Parish Council and should you, or the Council, have any queries please do not hesitate in getting back to me.

Also enclosed is my invoice for your attention.

I will put a hard copy of the documentation with the audit folders you kindly dropped off to me.

If the Parish Council would like to secure my services for next year please let me know by the end of November this year.

Kind regards,

Alison
Alison Marshall – Local Council Administration Services
Encs.

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 2019.

The internal audit for 2018/19 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. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No	Not applicable

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

Name of person who carried out the internal audit

23/04/19

AUSON MARSHALL

Signature of person who carried out the internal audit

A Marshall

Date 23/04/19

*If the response is 'no' you must include a note to 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).

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To: Witheridge Parish Council

Date: 22nd April 2019

Internal Audit Report 2018/2019 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 2019 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 in April 2018 and appear to be in order.
- The Standing Orders were last reviewed in March 2018 and appear to be in order.
- A Code of Conduct is in place and in order.
- The Transparency Code does not apply due to the current turnover being in excess of £25,000.00

Public Funds

- Robust payment controls are in place. It was evidenced that the Council oversees all payments monthly and that, for transparency, a payment schedule is listed within the monthly meeting Minutes.
- Purchase and payment documentation cross checked to the Accounts was in order and no issues were identified within this area.
- VAT requirements have been adhered to and the records are in good order.
- Petty Cash is not held – no checks required.
- The Accounts are kept up to date and are attended to regularly. They are easy to understand and contain all the required information, including a separate column for Section 137 spending.
- It was noted that Grant Funding is regularly applied for, and given, and that the Accounts correctly record the transactions. Section 137 payments have also been recorded and I note that Defibrillator spending appears to have been listed under the S137 heading although an alternative 'power' is available (Public Health Act). The poppy Wreath, for example, should be listed under S137 as there is no 'power' to purchase such an item. I have not located a Grant Funding Policy, to help with public understanding, and so if one is not in place I recommend that one be considered.
- Council borrowing is in place and the documentation appears to be in order.
- The Accounts are headed up 'Receipts and Payments', as is correct, but the headings of Income and Expenditure also appear. I recommend that, if possible, the Income and Expenditure headings be removed from the Accounting document.
- The Council oversees the adventure playground Charitable Trust property, and so has responsibilities as a Trustee, but no funds or separate Accounts are held in this regard.

Risk Management and Budget Control

- There is a new Risk Management Scheme in place, dated November 2018, which is in good order.
- The current general Insurance policy is in order and is due to renewal on 30th September 2019.
- The budget documentation is of a good standard and has been used to set the annual Precept by Full Council, at a full Council meeting, as is required. The Precept demand has been well Minuted.
- Reserves appear to be on the high side but can be justified given the listing of 'earmarked' funding and due to the on-going projects in place.
- Data Protection, Freedom of Information, and Complaints are all covered by Policies.
- Training is regularly attended which is pleasing to see.
- A Statement of Internal Control is in place as would be expected.
- Meeting Agendas are of a good standard and Councillors are correctly 'summonsed' to full meetings.
- Meeting Minutes are full and record all decisions appropriately. I wonder, however, how easily a member of the public would be able to follow what is written and so I recommend that this be put to the test and that any required amendments are considered.
- Elections will take place on May 2nd 2019 and preparations for the new Council are in place.
- Annual membership of the Information Commissioners Office (ICO) was confirmed.
- Laptop security appears to be in order.

Employment

- There are two employees and each has a Contract of Employment. I recommend that both Contracts are signed as soon as possible if this has not already been done.
- PAYE is dealt with in-house and the paperwork, including the pension payments for the Clerk, appear to be in order.
- Staff appraisals and pay reviews take place annually as is expected.

Asset Control

- The Council's Asset and Investment Register was last reviewed in March 2019 and appears to be in order. I note that there is no acquisition date listed for any asset, which is unusual, and I recommend that this is considered.

Banking and Bank Reconciliations

- Monthly bank reconciliations are produced and are agreed by the Council.
- All cheque book stubs reviewed had been correctly initialled by two Councillors.
- Authorised signature numbers are due for review in May, following the Elections, and appear to be in order at the current time.
- No issues have been identified with the current banking process.

Year End

- The completed 2017/2018 External Auditors Certificate evidenced a response of 'no issues identified' which was pleasing to see and which reflects the efficient book-keeping I have evidenced.
- The year-end Accounts, to 31/03/2019, are being prepared and the Clerk has confirmed full understanding of the Audit process and requirements.
- I have signed off the AGAR Annual Internal Audit Report indicating no matters of concern.

Summary

I am pleased to be able to report that, within the areas checked, it is my opinion that Witheridge Parish Council has robust and 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 very few recommendations noted within this report which have been provided to support future risk and internal control management.