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To: Ilsington Parish Council

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Internal Audit Report 2017/2018 for Ilsington Parish Council

All Councils are required to implement an annual independent Internal Audit examination of its Accounts and accounting processes. 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 Ilsington 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.

Book Keeping

I have tested that the Council has checked internal systems of control regularly, and that these checks have been signed for, and no issues have been identified within this area.

- The Councils Financial Regulations and Standing Orders were last reviewed in 2017 and appear to be in order. The Standing Orders, however, do not have the statutory requirements listed in bold type and so I recommend that this be addressed. Also I recommend that the review dates be noted on each document.
- A Code of Conduct is in place and in order and I recommend that this is uploaded to the website.
- The Transparency Code does not apply due to the Council's current annual turnover.

Payment Control

- Payment controls have been reviewed monthly and I have found no issues within this area.
- Purchases have been correctly documented within the Accounts and the Meeting Minutes.
- VAT has been re-claimed regularly and credits have been received.
- No petty cash is held and so no checks have been required.
- Section 137 funding has been correctly identified and the rules have been adhered to. There is a separate column for this spending within the Accounts as is required.
- The Accounts are kept up to date and are easy to understand and the receipts and payments method has been correctly used.
- A Grant Funding Policy is in place and is in order.
- 'Other Income', such as income from allotments, has been accounted for correctly.
- There is no borrowing in place at the current time.

Risk Management and Budget Control

- There is a Risk Management Scheme in place which appears to be adequate for the Council's needs.
- The Councils current Insurance policy is in order and has been recently reviewed.

- A well written budget document has been produced by the Clerk and the annual Precept has been set from this. The January 2018 Meeting Minutes reflect the Precept resolution but I recommend that amounts are input into the Meeting Minutes so as to inform the public of the clear situation.
- Reserves appear to be adequate for the size of the Council bearing in mind pending ring-fencing.
- There is no Anti-Fraud and Corruption Policy in place and I recommend that one be considered.
- There is a Statement of Internal Control in place and I recommend that this be reviewed annually.
- IT backup is completed by way of external hard drive and I recommend that USB sticks are also used, and kept off site, for additional security.
- Agendas are clear but I recommend that they be made more specific to inform the public and Council regarding the exact business to be transacted and with the amount of any funds input.
- Minutes are clear and easy to read but I recommend that resolutions are made very clear, so as not to cause confusion, by the use of the word 'resolved', for example, instead of agreed.
- The Council is correctly registered with the Information Commissioners Office for Data Protection.
- A Planning Committee is in place and Terms of Reference have been set up.

Payroll

- Payroll is outsourced and payslips reviewed are in order.
- The Clerk has opted out of the pension scheme.
- The Clerk is the only employee and holds a Contracts of Employment which is due to be updated.
- Plans are in place to complete regular staff appraisals and a pay reviews.

Asset Control

- The Councils Asset and Investment Register is up to date and in good order although I recommend that any acquisition amounts listed as nil be changed to read £1 as would be expected. The Councils general Insurance policy appears to cover the recorded Assets sufficiently.

Bank and Bank Reconciliations

- Monthly Bank reconciliations have been produced by the Clerk and agreed by the Council.
- I have reviewed the current Bank cheque book and each stub has been initialled by two Councillors.
- Internet Banking is not currently being used.
- There are a sufficient number of authorised signatories currently in place.

Year End

The Accounts to 31/03/2018 have been finalised and the Annual Return is currently being addressed. I have signed off the Internal Audit Report indicating no matters of concern.

Summary

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

It was pleasing to see that my recommendations from last year's Audit have been addressed, that the Clerk is now CiLCA qualified, and that the paperwork reviewed is of a good standard.