

# **Stoneleigh and Ashow Joint Parish Council**

## **Internal Audit Report for the Financial Year ending 31<sup>st</sup> March 2020**

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2019/20.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on 28<sup>th</sup> May 2020.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

### **Book Keeping**

- The financial totals as at 31 March 2019 have been brought forward accurately.
- The cashbook is up to date.
- The calculations are correct.
- There is evidence of internal control.
- VAT is evidenced, recorded and reclaimed.
- The payments have been checked and all were supported by invoices, authorised and minuted (page 3).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- S137 expenditure is recorded separately and is within the limit.
- A Grant Awarding Policy was adopted on 10/5/18 and was reviewed on 9<sup>th</sup> May 2019.

### **Due Process**

- Standing Orders were available and were reviewed in June 2019.
- Financial Controls were available and Financial Regulations were adopted In May 2019.
- There is no evidence of investments or loans.
- A grant from WCC has been received.
- There is evidence that financial checks have been carried out by Councillors. Signed monthly minutes include a bank reconciliation and cheque stubs are signed.

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- An Equal Opportunities Policy was adopted on 10/5/18 and was reviewed in May 2019.
- The appointed Clerk is also the RFO.
- The Disclosable Pecuniary Interests Form have been completed for all of the Councillors and all Councillors details are available on the website.
- Signed Agendas are available on the website and displayed with 3 clear days notice.
- There is evidence that apologies are minuted.
- Declaration of members interests are minuted.
- The PC website conforms to the Transparency Code.

### **Risk Management**

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments were reviewed in February 2020.
- A play equipment inspection was carried out 3/10/19.
- A Health and Safety Policy including Working From Home is available and was reviewed in May 2019.
- Annual insurance is renewed and is adequate. It is advisable that on renewal comparison quotes are sought and the decision is minuted.
- A Business Continuity Plan was adopted in January 2020 and is to be reviewed annually.
- The Clerk advised that documents are backed up on a monthly basis.
- Minutes are consistently initialled and signed. Pages are identified.

### **Budget**

- The precept demand is approved and correctly minuted.
- There is evidence that the PC have considered the level of the precept.
- An annual budget is prepared, discussed and adopted by the council.
- Earmarked funds are detailed.
- Financial payments are added to the Agenda/Minutes and the bank balance is reported monthly.

### **Payroll – Clerk/RFO**

- A Contract of Employment is customised and signed for the Clerk/RFO.
- The contract is reviewed annually.
- There is evidence that the PAYE/NI has been paid and approved.
- The Clerk/RFO salary is minuted and compliant with minimum wage requirements.
- There is evidence of current Employers Liability Insurance.
- A Grievance and Disciplinary Policy was adopted in June 2019 and is to be reviewed annually.

### **Asset Control**

- An Asset Register is kept with the value of individual assets.

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## **Bank Reconciliation**

- There is evidence of a bank reconciliation.
- There is evidence that this has been reviewed by Councillors and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

## **Banking and Investments**

- It was noted that the Parish Council has three Co-Operative Bank accounts: Stoneleigh and Ashow Joint Parish Council Community Directplus Account 61011685 00, Instant Access Account No 61011685 50 and Business Select 14 Day Account No 61011685 56.

## **Year End Procedures**

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.
- There were seven recommendations made at the 2018/19 audit and all the items have been addressed.

## **Misc**

- A Code of Conduct was adopted in June 2019.
- The PC is eligible for the General Power of Competence and this is minuted in September 2019.
- Arrangements are in place for public inspection of the Councils records.
- The Council is registered with ICO.
- Steps have been taken towards compliance with GDPR including a Data Protection/GDPR Policy and a Retention of Documents Policy.
- The Social Media Policy was reviewed in May 2019.

For the year 2019/20 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
301428	H Watts	564.10
301439	Royal Mail	342.00
301442	H Watts	71.98
301443	Ashow Village	250.00
301452	SLCC	126.00
301453	DM Payroll Services	440.05

## **Stoneleigh and Ashow Joint Parish Council**

### **Conclusion**

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

**Eleanor Choudry, CiLCA, AAT**

**Internal Auditor**

28<sup>th</sup> May 2020