

Stoneleigh and Ashow Joint Parish Council

Internal Audit Report for the Financial Year ending 31st March 2021

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 2020/21.

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 30th May 2021.

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 2020 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.
- A Grant Awarding Policy was reviewed in May 2019.

Due Process

- Standing Orders were available and were reviewed in May 2020.
- Financial Controls were available and Financial Regulations were reviewed In May 2020.
- There is no evidence of investments or loans.
- There is evidence that financial checks have been carried out by Councillors. Signed monthly minutes include a bank reconciliation and cheque stubs are signed.
- An Equal Opportunities Policy was reviewed in May 2019.
- The appointed Clerk is also the RFO.
- The Disclosable Pecuniary Interests Form have not been completed for all of the Councillors and all Councillors details are not available on the website.

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- 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.

Recommendation:

I recommend that:

- **The Disclosable Pecuniary Interest Forms and Councillors details are all available on the website.**

Risk Management

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments were adopted in February 2021.
- A play equipment inspection was carried out September 2020.
- A Health and Safety Policy including Working From Home is available and was reviewed in May 2019.
- Annual insurance is renewed and is adequate.
- A Business Continuity Plan was adopted in February 2021 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.

Recommendation:

I recommend that:

- **Renewal comparison quotes are sought and the decision is minuted.**

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.

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- 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.

Asset Control

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

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 changed bank to the Unity Trust Bank. The accounts opened are 20431361 and 20431400. The 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 were all closed in February 2021.

Year End Procedures

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.
- There not any recommendations made at the 2019/20 audit.

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.

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For the year 2020/21 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
301462	H Watts	450.00
301464	BHIB	388.75
301476	DM Payroll	460.80
301484	Ashow Village Club	180.60
301491	S&A Parish Council	10000.00
BACS	Komplan Playground Repairs	440.05

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

30th May 2021