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To: South Milton Parish Council

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Internal Audit Report 2021/2022 for South Milton 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 this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these processes.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. The report contains recommendations for Council consideration.

Standard Documentation

- The Council has tested internal control systems regularly.
- Financial Regulations, Standing Orders, Code of Conduct documents are in place and in order.
- The Transparency Code for smaller authorities applies and a website is in place which holds all the relevant documentation in order to comply with the Code.
- A Website Accessibility Statement is in place.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable.
- Email addresses – it is highly recommended that Councillors have bespoke Council email addresses, ideally ending in .gov, which the Council should consider.
- Royal Mourning Period – the April 2021 period in question has been observed.
- Face to Face meetings – the legislation for holding remote meetings expired in May 2021. The meeting minutes of June and July 2021 suggest that these meetings were held virtually but the agendas suggest the venue to be the village hall. I am assuming that an error has occurred on the minutes and recommend that this is officially acknowledged.

Public Funds

- Payment controls are in place and the Council oversees all payments regularly.
- Purchase and payment documentation cross checked to the accounts was found to be in order.
- VAT requirements have been adhered to and a credit has been evidenced.
- The accounts are in order except for the payment for a Wreath being listed under the 'burial' column, and not the Section 137 column, and I recommend that this is amended. The accounts correctly record the receipts and payments method and use the year-end date of 31st March.
- 'Other' income, such as from burials, has been accounted for.

Risk Management and Budget Control

- A Risk Management Scheme and Statement of Internal Control are in place and in order.
- There is a general Insurance policy in place which appears to be in order, it expires 31/05/2022.
- A budget document has been produced by which to set the annual Precept by full Council, as is required. The precept outcome has been minuted appropriately.

- Reserve funds – a listing is in place justifying the reserves figure.
- Meeting agendas are in order and Councillors are correctly ‘summonsed’ to full meetings. The required notice period for the issuing of the agendas has been adhered to.
- Meeting minutes are in order except for June and July 2021 minutes which state that these meetings were held virtually. As mentioned before, I recommend that any error is acknowledged.
- Annual Parish Meeting – not held in 2021 but arrangements are in place for a meeting this year.
- Annual membership of the Information Commissioners Office (ICO) had been overlooked but I understand that this has now been corrected. I recommend that this is checked by the Council.
- A GDPR Privacy Statement is in place, as is a Publication, Freedom of Information and Complaints Scheme, evidencing good practice.
- Committees – none in place currently.
- Burial records are kept in a locked cabinet and I recommend that a safe is considered.

Employment

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE/payroll is outsourced to SHDC and the paperwork appears to be in order.
- Pensions – there are no pensions in place. The Pensions Regulator letter is addressed to a Mrs Anderton and I recommend that this is updated if relevant.
- Clerk salary rise – the recent national pay rise for the Clerk, with back-pay, has been resolved and minuted appropriately.

Asset Control

- The Asset Register appears to be in order and has been correctly published on the website.

Banking and Bank Reconciliations

- Bank reconciliations have been produced regularly and shared with the Council.
- A mix of cheques and on-line banking has been used for payments over the past financial year. I recommend that all cheque book stubs are reviewed to ensure that 2 authorised signatory initials are in place, and that the on-line banking process allows for 2 authorised signatories to evidence that all payments have been made accurately.
- Authorised signatories - currently standing at 4, which is recommended. A review is ongoing.

Year End

- Year-end 31/03/2021 – the option to use the Certificate of Exemption has been taken up and the Council has declared itself exempt, which has been minuted. The correct process appears to have been followed and the AGAR documents have been published. It is recommended that the signatures on the AGAR are not redacted.
- Public Rights2021 - the exercise of public rights form has not been correctly completed as it does not allow for the required 30 days for inspection. I recommend that this is checked this year.
- Year-end to 31/03/2022 – the Clerk is currently dealing with the documentation and has confirmed understanding of requirements.

Summary

It is my opinion that South Milton Parish Council has followed proper practices and has some effective systems of internal control in place. I have provided some recommendations within this report with the aim of supporting the lowering of risk to the Council going forward.

Alison Marshall April 2022

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