

Alison Marshall - Local Council Administration Services

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

t. 07801 575521 / 01392 861228 e. alisonmarshall.lcas@gmail.com

To: South Milton Parish Council

Date: 8th May 2023

Internal Audit Report – year ending 31st March 2023

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

- Internal control systems – in place and tested regularly by the Council.
- Financial Regulations, Standing Orders, Code of Conduct – all in place and regularly reviewed.
- The Transparency Code for smaller authorities applies and a website holding all the relevant documents needed to comply with the code, and a Website Accessibility Statement, is in place.
- Email addresses – it is now a requirement (Practitioners Guide) for Councils and Councillors to have bespoke Council email addresses, ideally ending in .gov.uk, which I recommend the Council actions. The reasons for this include public confidence and cyber security.
- Royal Mourning Period (Sept. 2022) – observed.

Public Funds

- Payment controls – in place and payments are agreed and checked by the Council regularly.
- Purchase and payment documentation – cross checked documents highlighted no issues.
- VAT - requirements appear to have been adhered to.
- Accounts – the receipts and payments method and year-end of 31st March have correctly been used, the accounts are easy to read and appear to be in good order. Section 137 has been used appropriately.
- 'Other' income, such as from burials, has been accounted for.
- Burials fee process – the process used has been documented. I recommend that burial records, due to their complexity, are checked by the Council regularly.

Risk Management and Budget Control

- Risk Management Scheme, Statement of Internal Control, Complaints Policy - all in place.
- General Insurance policy – I recommend that Cyber Security cover is added if not already included.
- Budget – a budget document has been produced from which the annual precept has been set by full Council, the details have been minuted appropriately. The budget has been reviewed regularly.
- Reserve funds – a listing is in place justifying the reserves figure. The 'general reserves' appear high and I recommend that the Council gives this some consideration.
- Agendas – in order.

- Minutes – January 2023 minutes indicate that planning decisions have been ratified. I recommend that all decisions are made by the Council at Council meetings as is required.
- Information Commissioners Office (ICO) – annual membership confirmed.
- Privacy Statement, Publication/Freedom of Information Policy, Complaints Scheme – in place.

Employment

- Contract of Employment – in place and the Clerk is the only employee.
- PAYE/payroll – outsourced to SHDC and, due to this, it is assumed that the paperwork is in order. . There is no pension in place currently. The Pensions Regulator data is to be updated.
- Clerk salary rises/overtime – minuted.

Asset Control

- Asset Register – in place, recently updated and published.

Banking and Bank Reconciliations

- Bank reconciliations – carried out regularly and checked by the Council.
- Banking – internet banking is used and the process appears to work well. All transactions appear to have been checked by the Council regularly.
- Authorised signatories - currently being reviewed, a minimum of 4 is recommended.
- Bank charges – regular charges have been evidenced, which is unusual, and I recommend that this is considered as some may feel that it is not good use of public funds.

Year End

- Year-end 31/03/2022 – 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 in accordance with regulations.
- Public Rights2022 - the incorrect form has been used as the form indicating an ‘exempt’ council should have been used and I recommend that this is addressed this year. The process has, however, been carried out correctly and the dates have been published.
- Year-end to 31/03/2023 – the Clerk is currently dealing with the documentation and I recommend that this is thoroughly checked by the Council for accuracy prior to sign off. The carried forward figure on the AGAR for 31/03/2022 has changed and so the form will need restating. I have been able to agree the year end bank reconciliation as at 31/03/2023.

Summary

South Milton Parish Council has some robust systems of internal control in place which have been regularly exercised. The Council appears to have followed proper practices during the past financial year. I have provided some recommendations within this report which, if actioned, will support further the lowering of risk to the Council going forward.

Alison Marshall May 2023