

Little Abington Parish Council:

Detailed Report for Parish Council by Internal Auditor: 2019-2020

Date: 01.06.20

Objective A:

Appropriate Accounting Records:

The cashbook spreadsheet appears to have been maintained throughout the year accurately, and balanced regularly.

Objective B:

(a) Financial Regulations in place and applied:

Financial Regulations were revised and agreed by the Council at its meeting on 28.10.19.

Comments:

- In the updated Financial Regulations, the revised figures in the Appendix (Financial Authority Levels) do not appear to match figures in the body of the regulations (Par 11.1(h)). I understand a further review of the regulations is taking place, including a check that figures in the body of the regulations and the appendix correspond.
- I understand advice is being sought via CAPALC on the retention of passwords and PIN access details, as currently required in the Financial Regulations, Par 6.11.

(b) Compliance Working Group:

The CWG has an important role in assuring compliance with the Financial Regulations and reviewing the budget, risk management and internal financial controls.

I understand the group met only once in 2019/2020, even though the Terms of Reference stipulate a minimum of two meetings per year. Meetings are suggested in October, May and June/July but for 2020 these may be impractical in the current coronavirus emergency.

(c) Payments controls

I found that payments appear to be supported by invoice, authorised and minuted.

Comments:

- For Councillors' travel expenses etc a brief written acknowledgement of receipt/email message should be requested and retained.
- There was limited paperwork supplied relating to one donation: the Bobby Scheme. Acknowledgement of receipt should also be obtained for such payments.

Objective C:

Risk Management arrangements:

Levels of insurance cover appear to be generally appropriate and adequate.

I note the Risk Management Schedule was updated in October 2019 and again in April 2020. The Risk Policy was due for review in 2019 but does not appear to have been reviewed or updated.

Comments on various areas of risk:

- The Risk Policy should be reviewed (and updated if necessary) in the near future.
- Work on document management and retention appears to be in progress, with minutes being copied to the County Archive.
- Confirmation of data security of the Parish Council website would appear to be outstanding. Action on this matter may be relatively urgent if the Parish council has assumed responsibility for the website.
- Another issue to be addressed may be website accessibility, with Government standards required to be met by September 2020.
- An informal tree inspection regime is now in place with an active Tree Wardens network.
- The Millennium Bridge was inspected in September 2019 and is to be re-inspected every three years.

Objective D:

Budgetary controls:

I note that a budgetary process appears to be in place with expenditure against the Budget reported to Council at each meeting. There do not appear to be any unexplained variances from Budget, and the total for all reserves, although lower than in 2018/2019, appears adequate.

Objective E:

Income controls:

Systems appear to be in place and satisfactory.

Objective F:

Petty Cash: *[Petty Cash system not used so not applicable.]*

Objective G:

Payroll controls:

The Clerk's salary appears to have been paid as agreed by the Council and systems for accounting for tax, NI and reimbursement of expenses appear adequate.

Comments:

- Notes from the Compliance Working Group indicate that the Clerk's contract, dating from 2016, may be due for review (including job description and hours to be worked.)

Objective H:

Asset controls:

I note assets are being regularly inspected, with written records being kept of issues identified and action required.

Comment:

- I was unable to establish why the asset register dated April 2020 has **lower asset replacement values** than the version dated August 2019. The April 2020 version may require adjustment.

Objective I:

Bank reconciliation:

Periodic bank reconciliations as well as the end of year bank reconciliation appear to have been properly carried out.

Objective J:

Accounting Statements:

Year-end accounts appear to have been prepared on the correct basis with a generally clear audit trail from underlying records to the accounts. Draft accounting statements (AGAR Section 2) agree with underlying financial records.

Objective K:

Exemption Criteria:

The Parish Council completed and published a Certificate of Exemption from a limited assurance review for 2018/2019 on the grounds that annual gross income or expenditure did not exceed £25,000. It appears to meet the criteria.

Objective L: Opportunity for exercise of public rights:

Opportunity was given for the exercise of public rights.

Objective M: Responsibilities as Trustee:

Not applicable.

Mike Gutteridge.

Internal Auditor. 01.06.20