

Little Abington Parish Council:

Detailed Report for Parish Council by Internal Auditor: 2020-2021

Date: 10.06.21

General Comments:

● Comments are listed according to internal control objectives (Page 3 of Annual Governance and Accountability Return, 2020/2021). Reference should also be made to the *JPAG Practitioners' Guide: March 2021*.

Objective A: Accounting Records

Appropriate Accounting Records:

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

Objective B: Regulations and Policies

(a) Financial Regulations adopted and applied:

Updated Financial Regulations were agreed in July 2020.

(b) Compliance Working Group:

I understand the group was not able to hold the stipulated minimum of two meetings in 2020-2021, during lockdown and pandemic. The CWG has an important role in assuring compliance with the Financial Regulations and reviewing the budget, risk management, internal financial controls and, in 2021, work on insurance market testing. Every effort should be made to continue meeting, if circumstances permit.

(c) Payments controls

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

(c) Section 106 funds:

I note that all remaining Section 106 funds were spent in July 2020 as a donation to Abington Institute for retiling and installation of a screen.

(d) VAT:

Two claims for reimbursement of VAT were made in 2020/2021 totalling £1288.14.

Objective C: Risk

(a) Risk Management:

Levels of insurance cover appear to be generally appropriate and adequate. I understand market testing for insurance will commence in July 2021.

I note the Risk Management Schedule was updated in April 2021 and the Risk Policy was due to be reviewed and updated in May 2021.

Comments on various areas of risk:

- I understand work is in progress on a new Parish Council website. To avoid any risk to data security, I recommend drawing up a plan with appropriate target dates as soon as possible.
- I note that website accessibility is also being addressed to meet Government standards (in place since September 2020). An Accessibility Statement has been published on the current website.
- According to the Risk Management Schedule, plans for recruiting and training a new Clerk have yet to be drawn up. It is important to implement, in good time, an effective schedule of succession planning for when the Clerk retires, including budget and planning for formal training such as that offered by CAPALC.

Objective D: Budget

Budgetary controls:

An Annual Budget has been prepared with periodic updates of expenditure being given to councillors prior to meetings. There do not appear to be any significant unexplained variances from Budget for the financial year 2020/2021.

Objective E: Income

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

Payroll controls:

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

Comments:

- I understand the Clerk's contract, dating from 2016, is due for review (including job description and hours to be worked). *[Comment repeated from 2019-2020 Report]*
- I note several minutes which record the Clerk working excess (unpaid) hours.

Objective H: Asset Controls

Asset controls:

The Asset Register was last reviewed and updated in April 2021. A protocol for inspection of assets is in place, to be carried out at least bi-annually in March and September.

Objective I: Bank Reconciliation:

Bank reconciliations are prepared routinely, subject to sign off by Council members. The year-end bank reconciliation appears to be accurate, and matches with the bank balance in the AGAR, Section 2, Box 8.

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 2019/2020 on the grounds that annual gross income or expenditure did not exceed £25,000. It appears to meet the criteria.

Objective L: Publishing of Information

The Authority's website appears to publish all required documentation in accordance with the Transparency Code.

Objective M: Exercise of public rights: 2019-2020

The opportunity appears to have been given for the exercise of public rights.

Objective N: Publication requirements for 2019/2020 AGAR

The authority appears to have complied with the publication requirements for the 2019-2020 AGAR.

Objective O: Responsibilities as Trustee:

Not applicable.

Mike Gutteridge.
Internal Auditor. 10.06.21