

Great Abington Parish Council:

Detailed Report for Parish Council by Internal Auditor: 2018-2019

Date: 13.06.19

Actions/decisions taken by Parish Councillors at meeting on 28/06/2019 to Internal Auditor's comments/recommendations listed below item in red.

Comments on internal control objectives (Page 4 of Annual Governance and Accountability Return, 2018/2019, Part 2). It may also be useful to refer to the JPAG 'Governance and Accountability for Smaller Authorities in England: March 2019'

Objective A:

Appropriate Accounting Records:

The cashbook spreadsheet appears to have been maintained throughout the year accurately, and balanced regularly. However, see my comments below re: Section 106 records, under Objective B (c).

Objective B:

(a) Standing Orders and Financial Regulations adopted and applied:

Standing Orders were signed off on 21.05.18, and should be regularly reviewed. Note additionally that every councillor should hold a copy. **To be circulated in July again to be reviewed**

Financial Regulations were reviewed and adopted by the Council at its meeting on 19.11.18.

Create a schedule to review above policies over future meetings -see end of doc

Comments:

E-banking:

● Although procedures for e-banking have been included in the Financial Regulations, I note systems have yet to be set up. The Parish Council may find suppliers increasingly reluctant to receive payments by cheque.

Make further attempts to set up ebanking and then send complaint if experience previous problems,

Transparency Code for Smaller Authorities:

● Some documents required under the code do not appear to be published on the Parish Council website – for example, information about items of expenditure over £100. (See 'Transparency Code for Smaller Authorities' Part 2.1.)

Additional items to be added- £100+ expenses, ARG details before 01/07/19.

Other Policy Documents:

● I recommend the Parish Council checks it has adopted all the following policies and reviews/revises as necessary:

- Complaints Policy
- Community Engagement Policy
- Working with the Media Policy
- Equal Opportunities Policy
- Freedom of Information Scheme
- Code of Conduct

Create a schedule to review above policies over future meetings -see end of doc

(b) Payments controls

The Statement of Internal Control was reviewed on 26.03.18.

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

Comment:

- There was no supporting invoice or receipt supplied for a relatively large payment on 18.06.18 (Cheque 163: £2400: curtains). **This should be located and retained in the invoices file. [Copy now in invoice folder](#)**

(c) Section 106 funds:

It is important that an accurate record of Section 106 funds received and spent is kept, as these are relatively large amounts held within the Council's reserves,

Comments:

I requested further clarification after being unable to match total figures on the draft Section 106 spreadsheet with totals on the Balance Sheet, and other final accounts.

- The **S106 spreadsheet** was subsequently updated and a detailed breakdown of funds and transactions supplied, which appears to be correct.
- Incorrect figures on the **Balance Sheet** for the final balance of S106 funds in the specified S106 bank account have also been corrected.
- I understand that the final total for Section 106 payments' (£17559.84) on the **Summary of Receipts and Payments**, should include the 'Institute' total of £416.78. These amounts should be corrected before signing off. **[Done after advice from s106 Officer](#)**

(d) VAT:

VAT of £5070.10 is listed on the VAT Claim spreadsheet for the period 01.04.17 to 31.12.18, and has been subsequently reimbursed.

Objective C:

(a) Risk Management arrangements:

I note a Risk Management Schedule has been prepared.

Comment:

- The **Risk Policy** which was reviewed and adopted on 26.03.18 should also be regularly reviewed. **[Create a schedule to review above policies over future meetings -see end of doc](#)**

(b) Insurance:

Insurance cover has been reviewed and appears adequate,

(c) Abington Recreation Ground Committee:

Updated Terms of Reference for the committee state that the following will be supplied to both Little and Great Parish Councils:

- Internal Audit Report and subsequent action plan.
- Final Budget Plan
- Copy of current insurance schedule.

I was unsure from the minutes whether any of the above had been received or discussed.

[Emailed ARC Clerk for details \(copies received & circulated to councillors\).](#)

Comment:

- As ARGC is a joint committee, reporting to the Parish Council, it is important that the above documents are supplied annually, and in particular internal audit reports for past and future years.

Objective D:

Budgetary controls:

An Annual Budget has been prepared with periodic updates of expenditure being given to councillors in the minutes and subsequently prior to meetings. There do not appear to be any significant unexplained variances from Budget,

Comment:

- I note £17,000 has been earmarked for 'Procurement of amenity facilities'. Can this be clarified? **Amended to :amenity facilities/purchase land**

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. Systems for accounting for tax, NI and reimbursement of expenses are adequate, although see comment below.

Comment:

- There appears to be a discrepancy between gross pay total on the P60, and the salary calculation for Feb and March 2019 (relating to back pay of £8.00) which should be adjusted in the next return to HMRC. **Need to include £8.00 on next pay so that Clerk is tax on this amount**

Objective H:

Asset controls:

The asset register was updated in June 2018. **Update for 2019**

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, after adjustments detailed in Objective B (note that further minor adjustments may be required to the Summary of Receipts and Payments). **Amended to include £416.78 with s 106 expenses in Receipt & Payments as s. 106 officer said can use these funds for it (done and approve in year end figures on 28/6/19 meeting.**

Draft accounting statements (AGAR Section 2) agree with underlying financial records.

Objective K:

Exemption Criteria:

Not covered. The Parish Council had a limited assurance review of its 2017/2018 AGAR.

Objective L: Opportunity for exercise of public rights:

Not applicable.

Objective M: Responsibilities as Trustee:

Not applicable.

Mike Gutteridge.

Internal Auditor. 13.06.19

Proposed schedule to review policies and Council documents:

Standing Orders – July meeting

Freedom of Information (create new doc)-September meeting

Financial Regulations – November meeting

Code of Conduct & new Complaints Procedure – January 2020 meeting

Equal Opportunities, Working with the Media & Community Engagement – March 2020 meeting

Risk Policy and Routine expense to reviewed before Dec 2020