

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: Knowstone Parish Council

Date: 18th April 2022

Internal Audit Report 2021/2022 for Knowstone 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 may contain recommendations for Council consideration.

Standard Documentation

- The Council has tested internal control systems regularly.
- The Financial Regulations document and the Standing Orders document are both in order.
- A Code of Conduct is in place and is in order.
- The Transparency Code for smaller authorities is applicable and a website is in place which holds all the relevant documents required by the code. A Website Accessibility Statement is also in place.
- Emails – the Clerk and Council have dedicated email addresses as is now recommended.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable currently.
- Council membership – there is currently a vacancy on the Council and I recommend that robust advertising continues until the position is filled.

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.
- The accounts are in order and record the receipts and payments method. A column for Section 137 payments is in place and this power has been used appropriately.
- 'Other' income from the Moors Management Association has been recorded.

Risk Management and Budget Control

- A Risk Management Scheme is in place and I recommend that this is reviewed annually and that the review date is noted on the document.
- There is no Statement of Internal Control in place, although I understand that the Council has been looking into this area. I recommend that a document is put in place as soon as possible.
- The annual general Insurance policy has been reviewed and appears to be in order.
- There is a budget document in place and this has been used to set the Precept by full Council. Regular reviews against budget have been carried out. The precept outcome has been minuted appropriately.

- Reserve funds, although on the high side for the size of the Council, have been accounted for.
- Meeting agendas are in good order and Councillors are correctly 'summonsed' to full meetings. The required notice period has been adhered to.
- Meeting minutes are in good order, easy to follow and decisions have been well recorded. The website holds some 'draft' meeting minutes documents and I recommend that this is addressed.
- Annual Parish Meeting – not held in 2021 and I recommend that the process is reinstated this year.
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- There is a GDPR Privacy Notice in place.
- The Council is currently using the Standing Orders to cover off the requirements for a Publication Scheme and Complaints Policy but I recommend that consideration is given to creating standalone policies for these areas, as would be expected.

Employment

- The Clerk is the only employee and a Contract of Employment is in place.
- PAYE is dealt with by the Clerk, through the HMRC on-line system, and the documentation viewed appears to be in order. There is no pension in place and the Pension Regulator documentation is in order until October 2023.
- Pay reviews take place and I have been advised that the recent national increase in Clerk salary will be documented on the April agenda/minutes.

Asset Control

- The Asset Register has been updated and is awaiting Council approval at the April meeting. It would be useful to have a total on the bottom of the document in order that the figures on this and the AGAR can be cross referenced easily.

Banking and Bank Reconciliations

- Bank reconciliations have been produced regularly and shared with the Council.
- Authorised signatories currently stand at 4 which is appropriate.
- Banking – payment by way of cheque remains in place and I recommend that internet banking is considered to save on Clerks time. I recommend that cheque book stubs are reviewed to ensure that the relevant number of authorised signatory initials appear on each one.

Year End

- Year-end 31st March 2021 – the option to use the Certificate of Exemption has been used and the documentation is in order.
- Year-end 31st March 2022 - the Clerk is currently preparing the documents and has confirmed understanding of requirements. A Certificate of Exemption is again an option for Council consideration this year.
- Public Rights 2021 – the document has been completed correctly and has been published.

Summary

In my opinion, Knowstone Parish Council has robust systems of internal control in place so as to support the lowering of risk. Taking on board the few recommendations within this report would support the lowering of risk further. I am pleased to be able to advise that I have signed off the AGAR Internal Audit Report evidencing no issues of concern. It was pleasing to see the documents in such good order.

Alison Marshall May 2022

Alison Marshall – Local Council Administration Services