

Tidbury Green Parish Council

Internal Audit Report for the Financial Year ending 31st March 2021.

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2020/21.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on 18th May 2021.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

Book Keeping

- The financial totals as at 31 March 2020 have been brought forward accurately.
- The cashbook is up to date as at 31st March 2021.
- The calculations are correct.
- There is an internal control document which is followed that was reviewed and agreed in June 2020.
- VAT is evidenced and reclaimed on 1st February 2021.
- The payments have been checked and all were supported by invoices, authorised or minuted. (page 3).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- There is no evidence that grants are paid.

Due Process

- Standing Orders were revised in April 2020 and approved 20th May 2020.
- Financial Regulations are tailored to the council, have been reviewed in December 2020, approved on 20th January 2021 and minuted.
- There is no evidence of investments or loans.
- There has not been any orders for goods/services to date this financial year that require three quotations. The work carried out to obtain website accessibility was sought from the current website support provider. An agreed Evaluation Sheet to ensure best value etc. is in place when three quotations are required.

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- There is no evidence of grants or rents.
- There is evidence that financial checks have been carried out by Councillors.
- An Equality and Diversity Policy is in place and will be reviewed in February 2021.
- An RFO has been appointed.
- The Disclosable Pecuniary Interests Form have been completed for all Cllrs and all Councillors details are available on the SMBC website.
- Unsigned Agendas are available on the website.
- There is evidence that apologies are minuted.
- Purchasing authority is defined in the Financial Regulations.
- Declaration of members interests are minuted.
- A Councillor signs the bank reconciliations.
- TGPC complies with the Transparency Code for Smaller Authorities.

Risk Management

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments are available and were approved in June 2020 and minuted.
- A Health and Safety Policy is in place and will be reviewed in February 2021.
- Annual insurance is renewed and is adequate. This is the second year of a three year deal with Zurich.
- There is a Lone Working Policy and Working From Home Policy in place, both will be reviewed in February 2021.
- A Disaster Recovery Plan is in place and will be reviewed in February 2021.
- The Clerk advised that copies of key documents are kept and backed up.
- Minutes are consistently initialled and signed. Pages are identified.

Budget

- The precept demand is approved and correctly minuted in January 2021.
- There is evidence that TGPC have considered the level of the precept.
- An annual budget is prepared, discussed, unanimously agreed by the council and minuted.
- Reserves are earmarked.
- Financial payments are added to the Agenda as an Appendix and the bank balance is regularly reported.

Payroll – Clerk/RFO

- The Clerks Contract of Employment was updated and approved in December 2020. The contract is customised and signed by the Clerk.
- There is evidence that a tax code has been issued.
- There is evidence that the PAYE/NI has been paid and approved.
- Agreement to pay Clerks salary via standing order for 31 hours is minuted. The remaining 49 contracted hours are paid by cheque with claimed overtime. The salary is compliant with minimum wage requirements

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- There is evidence of current Employers Liability Insurance.
- The Grievance and Disciplinary procedure is to be reviewed in February 2021.

Asset Control

- An Asset Register is kept with the value of individual assets as at 31st March 2021.

Bank Reconciliation

- There is evidence of a bank reconciliation.
- There is evidence that this has been reviewed by Councillors and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

Banking and Investments

- It was noted that the parish Council has two bank accounts: Tidbury Green Parish Council Account No 21466356 and Account No 21466372 which Councillors have agreed to keep open for future CIL funds. Councillors previously considered a high interest account as recommended in the 2018/19 audit report but decided against it due to low interest rates.

Year End Procedures

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

Misc

- There were not any points raised/recommendations at the last audit.
- TGPC adopted a Code of Conduct in 09/12. There is evidence that all councillors have signed the Code of Conduct.
- TGPC is now eligible for the General Power of Competence and this is minuted in February 2020.
- The Clerk informed me that files are backed up.
- Evidence is available to show the arrangements that are in place for public inspection of the Councils records.
- The Council is registered with ICO until 2nd January 2022.
- Work has been undertaken to comply with GDPR including training, approval of Privacy Notice and Policy and an ongoing action plan.
- TGPC do not use social media platforms except their website.

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For the year 2020/21 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
100517	C Kirby	840.08
100521	C Kirby	254.22
100523	SLCC	36.00
100527	C Kirby	285.15
100537	Zurich Municipal	371.80
100539	HMRC	738.42

Conclusion

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

Eleanor Choudry, CiLCA, AAT

Internal Auditor

18th May 2021