

Deopham & Hackford Parish Council

Internal Audit Report

For Deopham & Hackford Parish Council

Financial Year 2019/20

Including Explanatory Notes for Annual Governance and Accountability
Return

(where a 'no' has been marked on page 4)

Prepared by M Bergin, 26 May 2020

I have completed an internal audit of the accounts for Deopham & Hackford Parish Council for the year ending 31 March 2020.

My findings are detailed below using the tests provided in the Governance and Accountability for Smaller Authorities in England March 2018.

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	Not known – see notes.
	Date Financial Regulations last reviewed	10 April 2019 – next review was due April 2020.
	Has a Responsible finance officer been appointed with specific duties?	Yes
	Have items or services above the de minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is s137 expenditure separately recorded and within statutory limits?	No expenditure this year
Have S137 payments been approved and included in the minutes as such?	N/A	
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes – February 2017 for review in 2019 – see notes.

Internal control	Test	Observations
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes – in December 2019 minute 8 Approved in January 2020 minute 10
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	Yes
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes – recently reviewed.
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – 31 March 2020 – should be reviewed annually.
Bank reconciliation	Do asset insurance valuations agree with those in the asset register?	Yes
	Is there a bank reconciliation for each account and is this reported to council?	Yes
Year-end procedures	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cashbook?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
Procedural – including data protection regulation.	Where appropriate, have debtors and creditors been properly recorded?	Yes
	Is eligibility for the General Power of Competence properly evidenced?	N/A
	Has the council adopted a data protection policy?	Yes – 1 June 2018 – was due for review in Sept. 2018 – see note.
	Has the council appointed a data protection officer?	Yes

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000	Has the council carried out an information audit?	No
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	No – not applicable- very small council.
	Last financial year's Annual Return on website?	Yes
Burial Authorities only	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A
	Have fees for the cemetery been reviewed and agreed by Council?	N/A
	Were comparisons made with other cemeteries prior to setting the fees?	N/A
	Have burial books been kept up to date and are they safely stored?	N/A
Allotments	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A

Internal control	Test	Observations
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A

Summary of my recommendations:

This audit was carried out online and via email as recommended by SLCC during the Covid 19 pandemic and there was no face to face visit. In addition to the website, documents provided included pages 4, 5 and 6 of the 2019/20 AGAR.

Standing orders require review. A review is needed every three years and when carried out should be minuted and the date of review and next date due noted at the end of the standing orders. Financial regulations also required review in April 2020 and should be reviewed annually.

A risk assessment was carried out in February 2017 but there is no evidence of any review since that date. This requires review each year.

The data protection policy adopted on 1st June 2018 was noted for review in September 2018. This policy should be reviewed annually, the review minuted and noted on the policy document.

M Bergin

26 May 2020

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Signed

Date