

Summary and Recommendations

In summary I believe that the Council has adequate records.

However, I feel that the following changes need to be considered for current year and future years.

The Internal Auditors function is to test and report to the Authority on whether its specific system of Internal Control is adequate and working satisfactorily.

They can only Audit what is there, so agendas, minutes, supporting evidence and accounting records all need to be comprehensive and readily available.

In the past I believe the Internal Auditor has completed the Income and Expenditure Account and Section 2 of the AGAR.

I have done the same this year but the danger of this is, who would pick up if we made a mistake ?

In future the Clerk/FRO should produce the **Income and Expenditure Account** with Bank Reconciliation and reasons for significant variance together with the figures in **Pages 3 and 6 of the Annual Governance and Accountability Return** as stated in your **Financial Regulations 4.2**.

To assist with this I have set up a Workbook that the Clerk/FRO can use in future that should make this simple and straightforward. It also incorporates the necessary **Budget Control and Fixed Asset Register**.

Likewise I understand that the previous Internal Auditor completed some of the **PAYE** paperwork but again I would question whether someone should Audit something they are compiling and certainly think that it is not good practice for the Clerk to carry out this role. This is a specialist field and I recommend that the Council considers using a **Payroll Bureau** to carry out this task.

As you are now aware there have been concerns with the **Fixed Asset Register** that I was provided. Going forward this should include the year purchased for all new assets, who the item was purchased from and the location of the asset. If anyone has knowledge of the dates of previous purchases these should be added to the existing register.

One other thing that I feel I should mention is the use of the cheque book to make a **Bank Transfer** from one of the Parish Council's Bank Account to another. The same result can be achieved by an appropriate letter, signed by the designated signatories and this would not therefore need to appear in the cheque payment list.

With regard to the **Website**, I would recommend that this be brought up to standard as soon as possible. I would also suggest that a comprehensive list be compiled of all items that should be published with a view to this being reviewed regularly and recorded in the Minutes.

Also I should mention that many of the Parish Council Minutes on the Website are missing all or some of the Minute numbers and are therefore not particularly user friendly and may fall short of the minimum standard if one has been set.

During this Audit I have needed to look at some of your Policies together with your Financial Regulations and Risk Assessments and I need to bring to your attention some that are not being followed or some where there is nothing in the Minutes to indicate that they are.

- Financial Regulations 3.3 States that - The Clerk/RFO will provide a statement of receipts and payments during the year for each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter.
- Financial Regulations 5.2 States that - A Schedule of Payments should form part of the Agenda.
- Financial Regulations 9.8 States that - The Vat Return shall be completed at least Annually coinciding with the year end.
- Financial Regulations 10.3 States that - All members and Officers are responsible for obtaining Value for Money at all times.
- Financial Regulations 14.3 States that - That the FRO shall ensure that an appropriate Register of Assets shall be kept up to date and it shall be verified at least annually, perhaps in conjunction with a Health & Safety Inspection of Assets.

In view of the things I have recommended, I would respectfully suggest that you may like to check these area's, just before the year end, to satisfy yourselves that they are likely to meet the required standard or consider whether an **Interim Audit** is appropriate this year.

One thing that I should also mention, as I have not noticed it anywhere, is the need to keep hard copies of your documents and a back up of your systems to ensure continuity.

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