

Stoneleigh and Ashow Joint Parish Council

Internal Audit Report for the Financial Year ending 31st March 2019

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 2018/19.

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 28th April 2019.

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 2018 have been brought forward accurately.
- The cashbook is up to date.
- The calculations are correct.
- There is evidence of internal control.
- VAT is evidenced, recorded and reclaimed.
- The payments have been checked and all were supported by invoices, authorised and minuted (page 4).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- S137 expenditure is recorded separately and is within the limit.
- A Grant Awarding Policy was adopted on 10/5/18 and is reviewed annually.

Due Process

- Standing Orders were available but have not been reviewed.
- Financial Controls were available but Financial Regulations have not been adopted.
- There is no evidence of investments or loans.
- There is evidence available that quotations were received for the annual insurance renewal.
- There is no evidence of grants or rents due to the council.
- There is evidence that financial checks have been carried out by Councillors. Signed monthly minutes include a bank reconciliation.
- An Equal Opportunities Policy was adopted on 10/5/18 and will be reviewed annually.

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- The appointed Clerk is also the RFO.
- The Disclosable Pecuniary Interests Form have been completed for all except one of the Councillors and all Councillors details are available on the website.
- Unsigned Agendas are available on the website and displayed with 3 clear days notice.
- There is evidence that apologies are minuted.
- Declaration of members interests are minuted.
- The PC website conforms to the Transparency Code.

Recommendation:

I recommend that:

- **Standing Orders are reviewed annually and minuted.**
- **Financial Regulations are adopted, tailored to the council and reviewed and minuted annually.**
- **The Agenda is signed by the Clerk.**
- **Disclosable Pecuniary Interests Form are completed for all councillors and added to the website.**

Risk Management

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments were reviewed 14/2/19.
- A play equipment inspection was carried out 08/10/18.
- A Health and Safety Policy including Working From Home is available and is to be reviewed annually.
- Annual insurance is renewed and is adequate.
- There is no evidence of a Disaster Recovery Plan should anything occur which would threaten the continuation of the Parish Council activities on a day to day basis, including fire or flood.
- The Clerk advised that documents are backed up on a monthly basis.
- Minutes are consistently initialled and signed. Pages are identified.

Recommendation:

I recommend that:

- **A Disaster Recovery Plan is drawn up, formalised and adopted by the Parish Council.**

Budget

- The precept demand is approved and correctly minuted.
- There is evidence that the PC have considered the level of the precept.

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- An annual budget is prepared, discussed and adopted by the council.
- Earmarked funds are detailed.
- Financial payments are added to the Agenda/Minutes and the bank balance is reported monthly.

Payroll – Clerk/RFO

- A Contract of Employment is customised and signed for the Clerk/RFO.
- The contract is reviewed annually.
- There is evidence that the PAYE/NI has been paid and approved.
- The Clerk/RFO salary is minuted and compliant with minimum wage requirements.
- There is evidence of current Employers Liability Insurance.
- There is no evidence of a Grievance and Disciplinary procedure.

Recommendation:

I recommend that:

- **A Grievance and Disciplinary Policy is drawn up, formalised and adopted by the Parish Council.**

Asset Control

- An Asset Register is kept with the value of individual assets.

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 three Co-Operative Bank accounts: Stoneleigh and Ashow Joint Parish Council Community Directplus Account 61011685 00, Instant Access Account No 61011685 50 and Business Select 14 Day Account No 61011685 85.

Year End Procedures

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.
- Points raised at the last audit have been addressed with VAT being reclaimed. Also the Financial and Management Risk Assessment and Health and Safety Risk Assessment were reviewed 14/2/19.

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Misc

- There is no evidence of a Code of Conduct.
- The PC is not eligible for the General Power of Competence.
- Arrangements are in place for public inspection of the Councils records.
- The Council is registered with ICO.
- Steps have been taken towards compliance with GDPR including a 'data cleanse', updates to policy and information sent to councillors.

Recommendation:

I recommend that:

- **A Code of Conduct is adopted and all councillors sign the Code of Conduct.**

For the year 2018/19 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
301401	D Malley Payroll & HMRC	539.34
301410	H Watts	25.74
301417	SLCC	122.00
301419	H Watts	545.46
301425	Stoneleigh Village Hall	228.00
301431	Stoneleigh Abbey Residents Ass.	250.00

Conclusion

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control with the exception of where recommendations have been made in this report.

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

28th April 2019