

# INTERNAL AUDIT REPORT 2020-2021

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Local Council Audit Services Internal Audit  
Report  
To the Members of St Dennis

Parish Council

Year Ending 31st March 2021

Final issue date: 30/05/21  
Issued To: St Dennis Parish Clerk

## **INTRODUCTION:**

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **Scope:**

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

An interim audit has not been undertaken and this reports covers the activities of the Parish Council during the year.

### **Approach:**

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable I have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2019.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed. No face to face meetings were held with inspection of digital documents and inspection of the Parish Website used to reference findings.

## **GENERAL COMMENTS:**

I would like to thank the Parish Clerk for her time and co-operation with this inspection.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In giving my internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

I have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool. I would be grateful if, in due course, it is completed and returned to me.



**The Council approved the Risk Management Policy and incorporated Risk Register on the 4th October 2018. Risk Assessment were undertaken.** *The RMP and RR documents should be regularly reviewed and updated as required - consideration of this should take place alongside the Council's current Asset Register .*

x

**Insurance:**

**The Council has a municipal policy and statutory insurances are in place however level of Fidelity Guarantee (non-negotiable money limit) is low - current set at £250,000. The council should assess this limit and adjust accordingly**

x

**Community Assets :**

**The comparison of the asset register to the insurance schedule showed no errors. The asset register requires year end update so that the adjusted figure can be included in box 9 of the AGAR. Details of Assets are published on the Council's website.**


**Budget**

**Setting:**

**The Council has set a budget for 2020/21 - 199/19 7th January 2020 and submitted a precept request to the Billing Authority.**


**Monitoring:**

**Regular financial reporting forms part of the Council agenda. Forecasting was undertaken during the year at a 6 month interval. It is recommended that comparison between the budget and actual figures are reported quarterly.**

x

**Income**

**Income was received in a timely manner and recorded correctly within the accounts.**


**Precept:**

**The precept payment received is in accord with that requested from the Billing Authority.**


**VAT:**

**VAT reclaims are up to date**


**Grants:**

**Grants have been received/paid and recorded within the Council accounts with s137 grants separately recorded.**


**Payroll**

**2020/21 pay award and grade structure:**

**The new national pay scales have been accurately implemented and the adjustment to retain the uplift on the minimum wage approved.**


**Officers:**

**Checks identified that payroll is being recorded accurately and statutory supporting deductions and pension payments appear in order.**


**Bank Reconciliations**

Bank Reconciliations are regularly undertaken and are reviewed and approved by Members when reported to Council.

**Electors Rights**

The Council has met its obligations under the Accounts and Audit Regulations in respect of the availability of the accounts for public inspection and for the publication of the audited accounts and auditor's report.

**Comments on other matters**

The Council has met its requirements in complying with both the General Data Protection Regulations (GDPR) with a publish Privacy Policy and also with recommended practices on Accessibility. The clerk is identified as the GDPR officer.

The Information Commissioners Office sets out guidance relating to the publication of documents. This states that any papers mentioned within the Agenda form part of the Agenda and should be published. *The council should consider if it is meeting its publication requirements. For guidance please go to <https://ico.org.uk/media/for-organisations/documents/1156/minutesandagendas.pdf>*

The Council's INTERNAL AUDIT RESPONSE RECORD - St Dennis Parish Council

No	Recommendation	Management Response	Timescale/ Responsibility	Follow Up (for auditor use)
<b>FINAL REPORT - 2020/21</b>				
1.	Financial Regulations were last reviewed and adopted in October 2018 and are referenced in the current Standing Orders which were adopted on the 7th May 2019. A supplemental coronavirus amendment was adopted 7th May 2020. Both Financial Regulations and Standing Orders should be reviewed in the 2021/22 year			
2.	It is noted that that Financial Regulations include a small scheme of delegated whereby the Clerk can authorise emergency expenditure up to £500. <i>This should be regularly reviewed and updated as required</i>			
3.	The Council approved the Risk Management Policy and incorporated Risk Register on the 4th October 2018. Risk Assessment were undertaken. <i>The RMP and RR documents should be regularly reviewed and updated as required - consideration of this should take place alongside the Council's current Asset Register .</i>			
4.	The Council has a municipal policy and statutory insurances are in place however level of Fidelity Guarantee (non-negotiable money limit) is low - current set at £250,000. <i>The council should assess this limit and adjust accordingly</i>			
5.	Regular financial reporting forms part of the Council agenda. Forecasting was undertaken during the year at a 6 month interval. <i>It is recommended that comparison between the budget and actual figures are reported quarterly.</i>			
6.	The Information Commissioners Office sets out guidance relating to the publication of documents. This states that any papers mentioned within the Agenda form part of the Agenda and should be published. <i>The council should consider if it is meeting its publication requirements. For guidance please go to <a href="https://ico.org.uk/media/for-organisations/documents/1156/minutesandagendas.pdf">https://ico.org.uk/media/for-organisations/documents/1156/minutesandagendas.pdf</a></i>			