INTERNAL AUDIT ACTIONS 2021

Council should ensure that its Financial Regulations are fully tailored to the Parish Council by removing the [square] sections and in particular those sections that do not apply to the Council (Payments under contracts for building or other construction works; stores and equipment and charities).

Reviewed and approved 9/6/2021

Recommendation: Council should be aware that NALC’s guidance over repealed Section 150(5) of the Local Government Act 1972, is that Councils must not relinquish the ‘two-member signatures’ control over cheques and other orders for payment until they have put in place safe and efficient arrangements. Guidance from the NALC Finance and Audit Advisor has been that the over-riding requirement resulting from the abolition of S150 (5) is that each and every local council seeking to depart from the two-signature rule must “implement and maintain robust controls on expenditure as an integrated part of their overall financial control system”. Council should note that whilst it is not a requirement that two people authorise electronic payments, council should consider the appropriate systems, procedures and controls available by banking providers and follow its own Financial Regulations. Recommendation: The approved schedule should be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments should then be disclosed within or as an attachment to the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

Dual authority banking has now been put in place.

Recommendation: given the current levels of finances, Council should review the appropriate level of fidelity guarantee insurance being held. Council should be aware that all cover should be risk based and should be kept under constant review to make sure it adequately reflects changes in circumstances. Recommendation: Council might wish to consider appointing a Councillor to review and examine the control checks identified by the Council as being part of the measures undertaken to safeguard public finances and ensure the management of Council’s finances and assets are in accordance with Proper Practice and that such a review along with its findings, is reported back to the Council and evidenced via a minute reference. A number of items on the internal control documentation, as adopted by Council, may be able to be undertaken remotely and Council is advised to explore this possibility.

Kirsty investigated this and a new insurance policy to cover the correct level fidelity was agreed at 09/06/2021 Meeting

Additional comments: Recommendation: Council should be aware that in order to demonstrate good practice, Council should ensure that it follows the recommended key stages as to the budgetary process to be followed for the year: • decide the form and level of detail of the budget; • review the current year budget and spending; • determine the cost of spending plans; • assess levels of income; • bring together spending and income plans; • provide for contingencies and consider the need for reserves; • approve the budget; • confirm the precept or rates and special levies; and • review progress against the budget regularly throughout the year. Council should also note that the preparation of an annual budget is one of the key statutory tasks undertaken by the Council and cannot be devolved to a Committee. There is no evidence within the minutes reviewed to show that for the year under review, full Council approved the budget to be set for the year 2020-2021 and formally agreed the precept to be levied on its parishioners.

We have a new accounts package in place which should now enable this to happen.

(This was a new system which was being learnt 20/21)

CIL Reporting: Council is aware of the requirement to ensure that it complies with its duty to produce an annual CIL report for each financial year and that such a report is uploaded onto its website by 31st December of that year. The Council should ensure that the CIL report contains all of the balances for CIL as detailed within the Council’s trial balance – EMR codes 337 and 338 refer. Council is reminded of the reporting schedule of its aggregate receipts and payments as adopted within its own Standing Order 17: The Responsible Financial Officer shall supply to each councillor as soon as practicable after 30 June, 30 September and 31 December in each year a statement to summarise: i. the Council’s receipts and payments (or income and expenditure) for each quarter; ii. the Council’s aggregate receipts and payments (or income and expenditure) for the year to date; iii. the balances held at the end of the quarter being reported and which includes a comparison with the budget for the financial year and highlights any actual or potential overspends

We have a new accounts package in place which should now enable this to happen.

(This was a new system which was being learnt 20/21)

This was uploaded to the website in July 21

Recommendation: Council should take further steps to ensure that its asset register is maintained in accordance with proper practices: key information required is: • dates of acquisition, upgrade and disposal • costs of acquisition and any expenditure which increases the life of the asset; • if proxy cost is used for first valuation, a note of the method used for valuation; • location; • responsibility; • useful life estimate.

Additional comments: Recommendation: following the completion of the internal audit, Council should be aware that if it receives a report from the internal auditor, it should consider the matters included in this report and decide what action it needs to take to prevent recurrence of the issues raised. Internal audit reports should inform the council’s response to Assertions 2 and 6 of the Annual Governance Statement. As the internal audit report identified areas for development, Council should ensure that it produces an action plan with proposed remedial actions and that the plan identifies the people responsible for delivering improvement and the deadlines for completion of the actions.

Recommendation: following the completion of the external auditor’s review, Council should be aware that if it receives a letter or further report from the external auditor, full council must meet to consider it as soon as practicable. Whilst Council has complied with the publication requirements, it has failed to consider the report and the findings of the report. In order to answer in the affirmative to the Annual Governance Statement 7 – reports from auditors, Council will have needed to consider the matters included in the reports of both Internal and External Auditors and decide what action it needs to take to prevent recurrence of the issues raised. The consideration and decision should be included in formal minutes. Council is therefore recommended to answer in the negative to this assertion.

Clerk to bring the external audit to Council for review when received.