

Tidbury Green Parish Council

Internal Audit Report for the Financial Year ending 31st March 2020.

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 2019/20.

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 14th June 2020.

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 2019 have been brought forward accurately.
- The cashbook is up to date.
- The calculations are correct.
- There is evidence of internal control.
- VAT is evidenced and reclaimed on 1/2/20.
- The payments have been checked and all were supported by invoices, authorised or minuted. (page 3).
- Income recorded in the bank account was checked to those entries shown in the cashbook.
- S137 expenditure is recorded separately.
- There is no evidence that grants are paid.

Due Process

- Standing Orders adopted since 2012 were available and have been reviewed in 19/20 and minuted.
- Financial Regulations have been reviewed in 19/20 and minuted and tailored to the council.
- There is no evidence of investments or loans.
- There is evidence available that 3 quotations had been received for works/services provided to the council and Councillors are using an agreed Evaluation Sheet to ensure best value etc.

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- There is no evidence of grants or rents.
- There is evidence that financial checks have been carried out by Councillors.
- An Equal Opportunities Policy has been adopted.
- An RFO has been appointed.
- The Disclosable Pecuniary Interests Form have been completed for all Cllrs and all Councillors details are available on the SMBC website.
- Unsigned Agendas are available on the website.
- There is evidence that apologies are minuted.
- Purchasing authority is defined in the Financial Regulations.
- Declaration of members interests are minuted.
- A Councillor signs the bank reconciliations.

Risk Management

- A scan of the minutes does not reveal any unusual activity.
- Risk Assessments are available and updated.
- A Health and Safety Policy is available.
- Annual insurance is renewed and is adequate. Comparison quotes are sought and the decision is minuted.
- There is a Lone Working Policy and Working From Home Policy.
- There a Disaster Recovery Plan. The Clerk advised that copies of key documents are kept and backed up.
- Minutes are consistently initialled and signed. Pages are identified.

Budget

- The precept demand is approved and correctly minuted.
- There is evidence that TGPC have considered the level of the precept.
- An annual budget is prepared, discussed and adopted by the council
- Financial payments are added to the Agenda as an Appendix and the bank balance is regularly reported.

Payroll – Clerk/RFO

- A Contract of Employment is customised and signed for the Clerk.
- The contract has been reviewed and updated and backdated with effect from 1st April 2019.
- There is evidence that the PAYE/NI has been paid and approved.
- Agreement to pay Clerks salary stated amount via standing order is minuted and compliant with minimum wage requirements.
- There is evidence of current Employers Liability Insurance.
- There is a Grievance and Disciplinary procedure.
- There is no evidence that exceptional overtime hours are approved by the council in advance. The Parish Clerk explained that the contract will be reviewed in 20/21. Overtime is approved by the Parish Council who have a good understanding of the variances in the volume of work.

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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 two bank accounts: Tidbury Green Parish Council Account No 21466356 and Account No 21466372. Councillors have considered a high interest account as recommended in the last audit report but decided against it due to low interest rates.

Year End Procedures

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

Misc

- Recommendations raised at the last audit have been addressed.
- TGPC adopted a Code of Conduct in 09/12. There is evidence that all councillors have signed the Code of Conduct.
- TGPC is not eligible for the General Power of Competence.
- The Clerk informed me that files are backed up.
- Arrangements are in place for the public inspection of the Councils records.
- The Council is registered with ICO.
- Steps have been taken towards compliance with GDPR.

For the year 2019/20 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
100459	C Kirby	533.60
100468	C Kirby	226.07
100473	RL Business Solutions	187.20
100478	C Kirby	186.92
100497	Mid Tech Services Ltd	6,671.26
100502	Solihull MBC	2,162.28

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Conclusion

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control.

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

14th June 2020