Carol A Bailey

BA (Hons) CiLCA

Local Council Internal Audit Report

Year ending: 31 March 2021

Name of Council	Snetterton Parish Council
Income	£3882
Expenditure	£3935
Precept Figure	£3500
General Reserve	£2575
Earmarked Reserves	

Annual Return Completion:

Section One	Not completed
Section Two	Certificate of Exemption AGAR Not completed
Internal Audit	Completed 17 May 2021

The following Internal Audit was carried out on the adequacy of systems of control.

The following recommendations/comments have been made:

Proper Book-keeping

Cash Book, regular reconciliation of books and bank statements, supporting vouchers, invoices and receipts

Following the recommendations made in last year's internal audit report the Council has taken the appropriate action. Unfortunately, due to a change of Clerk part way through the year, the new Clerk has found herself in a position of staring the whole process again, but this should be resolved during the year 2021/2022.

One bank statement for the month 6 January 2021 to 5 February 2021 was not available for the audit. Having said this it was possible to ascertain from the starting and finishing balances that one deposit had been made during that period, namely a refund for £382.04 from HMRC.

Cheque no 100024 for £15.00 from March 2020 remains unpresented. As this cheque is now out-of-date the Council should write it back to the Cash Book.

Financial Regulations

Standing Orders and Financial Regulations, Tender details and conforming to 2015 Procurement Regulations, appropriate payment controls including acting within the legal framework with reference to Council Minutes. Identifying VAT Payments and reclamation. Cheque Books, Paying in Books and other relevant documents

Supporting paperwork for payments and appropriate authorisation

Model Standing Orders had been adopted in 2019 at the meeting of the Council on 5 June 2019.

Standing Orders and Financial Regulations Policies are available via the Councils website along with other relevant policies.

Following the recommendation made in last year's audit report it was noted that, since the appointment of a new Clerk, cheque stubs and invoices are now being initialled by two Councillors.

VAT reclaimed during the year

VAT has been checked on all invoices and an amount of £33.22 for the year should be claimed from HMRC.

Does the Council use General Power of Competence and when was it adopted or last confirmed?

N/A

S137 separately recorded and minuted?

The Council currently uses this power but there were no payments made using it during the year.

Does the Council have any loans in place?

No

Date of approval from the Secretary of State (DCLG)

N/A

Payments of Interest and Principal sums in respect of loans are paid in accordance with agreements

N/A

Code of Conduct. Date of adoption. Register of Interests published on the Council's website

The resolution to adopt the Code of Conduct had previously been duly made at the meeting of the Council on 10 April 2019.

Councillors Code of Conduct and Register of Interest Forms are available from Breckland District Council via a link on the Councils website. At the time of writing the report neither link was working.

Recommendation:

That a link to Breckland District Council's web site be checked to ensure that access to these documents is available

<u>Risk Management</u>

Appropriate procedures in place for the activities of the Council.

Fidelity cover is provided through the Council's insurance and is appropriate.

No risk assessments were provided including a Financial Risk Assessment.

Recommendation:

That the Council carry out all risk assessments required including a Financial Risk Assessment which should be in place and available for the 2021/2022 audit

<u>Budgetary controls</u>

Verifying that the Budget has been properly prepared and agreed with reference to Council Minutes and supporting documents

The budget for 2020/2021 was duly approved at the meeting of 20 January 2020 Minute No 12.

The Precept pf £3,500 for 2021/2021 was duly approved at the meeting of 20 January 2020 Minute No 13.

Regular reporting of expenditure and variances from budget

Financial reports are made regularly to Council.

<u>Income Controls</u>

Precept and other income, including credit control mechanisms

Apart from the precept levied on the District Council the only other income received was a refund of VAT and it was ascertained this amount was on the missing bank statement.

<u>Petty Cash/Expenses Procedure</u>

Established system in place and associated supporting documents

N/A

<u>Payroll Controls</u>

Salary payments including deductions for PAYE/NIC. Compliance with Inland Revenue Procedures

All salary payments are recorded correctly. Cheque no 100034 for £558.40 to HMRC for the final income tax payment for the previous Clerk has not been cashed and this has generated a query with HMRC. Due to this no payments have been made for the new Clerk and this needs rectifying as soon as practicably possible.

Records relating to Contracts of Employment

Not seen

Has your Council auto-enrolled with the Pension Regulator?

There does not appear to be any pension being paid by the Clerk who is the only employee of the Council. Dependent of age of staff this may not be a requirement for the Council.

Recommendation:

That the query with HMRC be resolved as soon as possible.

Asset Control

Total Assets: £5315 – covered by Policy for £5527.60

Employers Liability	**£10,000,000**
Public Liability	**£10,000,000**
Officials' & Trustees' Indemnity	**£ 500,000**
Business Interruption	**£ 100,000**

The Council changed its insurance to Hiscox from 1 June 2020. This policy is a continuous policy until cancelled.

Following the recommendation from last years audit Business Interruption cover has been added.

Recommendations:

1. **The Councils Insurance Policy should reflect its Fixed Assets. Currently it appears that there is a mismatch between the two. The Council should ensure this is actioned in preparation for the 2021/2022 audit.**

Bank Reconciliation

Regularly completed and Cash Books reconcile with Bank Statements

The bank reconciliation has been undertaken by the Clerk on a regular basis.

Year-End Procedures

Appropriate accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate.

All invoices were provided. Two items could not be traced via the audit trail – a copy of the remittance advice for half of the Precept monies and the bank statement and remittance advice for the receipt of the refund from HMRC.

Sole Trustee

Has the Council met its responsibilities as a Trustee? (if applicable)

N/A

Internal Audit Procedures

Date Review completed: 17 May 2021

Recommendations from previous Internal Audit

The Council had made significant improvements during the year from the recommendations in the 2019/2020 audit report. There are still improvements to be made but given the current Clerk has only recently taken up the post it is anticipated these will be made during the financial year 2021/2022.

Additional Comments

Annual Meeting of the Council: 20 May 2020

Appointment of Internal Auditor: 15 March 2021 Minute No 7.3

Is the Council registered with the ICO?

Yes

Is the Council working towards the New General Data Regulations Regime?

Various policies are available on the Councils website.

Finally, I would take this opportunity to thank the new Clerk for her co-operation and help in order to complete this audit.

Report produced by:

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Dated: 17 May 2021

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