

## Internal Audit Report for Wickham St Pauls Parish Council – 2017/18

The new Clerk and the new Internal auditor have transferred the previous clerk's manual records to a computer system. This was affected quite easily. The two of us have met several times. During one of our discussions the Chairman joined us for one meeting and we were impressed by his support.

Councillors will be aware that some of your procedures have subtly changed, this is to bring up to date what was more than adequacy already set up. The improvements help to strengthen both the audit trail and provide members with greater protection against unwarranted criticism. As the months proceed council will be asked to approve a number of improvements to its procedures in order to adopt best practice against national guidelines.

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Receipts: £12,532

Payments: £11,203

### AGAR Completion:

Section One: *Completed*

Section Two: *Completed*

Annual Internal Audit Report: *Yes, completed by Internal Auditor*

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*The Cashbook Spreadsheet is well referenced and provides a clear audit trail. Supporting paperwork is in place and well referenced.*

*VAT payments are tracked and identified within the Cashbook, and repayment claims have been met regularly.*

**Financial regulations** Standing Orders and Financial Regulations

Tenders

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

Appointment of Responsible Financial Officer (RFO): *The Council confirmed at its meeting on 29 May 2018 that Mrs Diane Jacob should act as the Council's RFO from the date of her appointment, 1<sup>st</sup> January 2018.*

Standing Orders and Financial Regulations: Both are in place but under review and are being updated. The financial records are in good shape.

Use of General Power of Competence: *Currently under review by Council.*

Data Protection regulations: *Council will be asked shortly, to adopt a procedure to meet the new statutory EU-wide regulations.*

**Risk Assessment**

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: *The Strategic Risk Register Assessment was reviewed and adopted by the Council at its meeting in March 2018.*

*An independent RoSPA Play Area Safety Inspection was carried out in the year under review by PlaySafety Limited.*

*Insurance was in place for the year of audit. The Council will shortly be asked to review and renew the policies.*

**Transparency Code** Compliance for smaller councils with income/expenditure under £25,000.

Smaller Council: *Only partially*

Website: <http://www.essexinfo.net/wickhamstpaulsparishcouncil/>

Smaller authorities should publish on their website:

- a) all items of expenditure above £100  
*Published – No*
- b) annual governance statement (By 1 July)  
*2017 Annual Return Section 1 Published – Yes*
- c) end of year accounts (By 1 July)  
*2017 Annual Return Section 2 Published – Yes*
- d) annual internal audit report (By 1 July)  
*2017 Annual Return, Section 4 Published – No*
- e) list of councillor or member responsibilities  
*Published – No*
- f) the details of public land and building assets (By 1 July)  
*Published – No*
- g) Minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*Arrangements have been made for The Council to comply with the requirements of the Transparency Code for the current year.*

**Budgetary controls** Verifying the budgetary process with reference to council minutes and supporting documents

*Satisfactory budgetary procedures have recently been introduced. The Precept was agreed in full Council and the Precept decision and amount has been clearly Minuted. The Clerk/RFO ensures the Council is aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions.*

**Reserves** General Reserves are reasonable for the activities of the Council.

*The Council has adequate general reserves. They exceed the national recommendations which is twice the precept. Council may wish, in due course, to consider a more focused reserves policy.*

**Petty Cash** *No Petty Cash is held, an expenses system is in place.*

**Payroll controls** PAYE and NIC in place where necessary.  
Compliance with Inland Revenue procedures

Records relating to contracts of employment

PAYE System in place: *Payroll is out-sourced and is being completed in accordance with HMRC requirements.*

*The workplace pensions legislation: the payroll provider is being asked to check that a declaration of compliance under the Pensions Act 2008, has been made regarding the new Clerk.*

#### **Asset control**

Inspection of asset register and checks on existence of assets  
Cross checking on insurance cover

*An Asset Register is in place and was reviewed by the Council in March 2018*

#### **Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*The bank statements for the Natwest Bank Accounts agreed with the End-of-Year accounts and overall bank reconciliation as at 31 March 2018.*

#### **Year-end procedures**

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

*The End-of-Year accounts are prepared on a Receipts and Payments basis. Sample audit trails were undertaken and were found to be in order.*

#### **Internal Audit Procedures**

*The Council has satisfactory internal financial controls in place. Cheque Book counterfoils and invoices/vouchers for payment are now initialled by signatories as part of the overall financial control framework exercised by the Council.*

*The Clerk now provides financial reports to Council meetings. Councillors are provided with information to enable them to make informed decisions.*

#### **Additional Comments**

- *The Annual Parish Council meeting is to be held on 29<sup>th</sup> May 2018, within the required timescale. The first item of business will be the Election of Chairman in accordance with the Local Government Act 1972.*
- *I would like to record my appreciation to the Clerk and the Chairman to the Council for the assistance provided during the course of the internal audit work.*

J.C. Reddington

Signed .....  
Coggeshall  
29<sup>th</sup> May 2018

