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To: Dartington Parish Council

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Internal Audit Report 2019/2020 for Dartington Parish Council

All Councils are required to implement an annual independent Internal Audit examination of its accounts, accounting processes and internal controls. The aim of the Internal Audit is to conclude as to whether a Councils systems of financial and other internal controls are adequate and effective. Testing has been carried out using a sampling system as deemed appropriate for the size of the Council.

This report details the results of the April 2020 Internal Audit for Dartington Parish Council which has been carried out in accordance with the requirements as detailed within the Governance and Accountability Practitioners Guide. The report also provides recommendations for the improvement of internal processes and a general summary for Council consideration.

Standard Documentation

- Internal controls – in place and tested regularly by the Council.
- Financial Regulations – in place, updated in June 2019, and appear to be in order.
- Standing Orders – in place, dated 2018, and appear to be in order.
- Code of Conduct - in place, reviewed in June 2019, and appears to be in order.
- Transparency Code - does not apply due to the Councils annual turnover being above £25,000.
- Website – only the Clerk can manage the website currently. I recommend that a deputy is trained to oversee the site, as soon as possible, in order to lower the risk to the Council of the site getting out of date and of documents not being uploaded in line with required timescales.
- Council membership - It is noted that the Council is in need of 4 additional Councillors at this current time and I recommend that robust advertising takes place with the aim of filling the vacancies as soon as possible.
- General Power of Competence – the Clerk is now CiLCA qualified but the Council is not able to take advantage of this power at this time due to the low number of Councillors recently elected.
- Council borrowing – none.
- Petty cash – not used.
- Trust funds – not applicable.

Public Funds

- Payment controls – in place and the Council oversees payments on a monthly basis.
- Purchase and payment documentation – documents cross checked to the Accounts were in order.
- VAT – a re-claim has been evidenced and the records appear to be in order.
- Accounts – up to date and in order. A separate column has been identified for Section 137 spending, as is required, although there has been no Section 137 spending identified within the past year.
- The Receipts and Payments method has been used, as is required, within the Accounts.
- 'Other' income, such as from Allotments and magazine advertising, has been accounted for.

Risk Management and Budget Control

- Risk Management Scheme – in place and in order. This document includes a statement of internal financial control.

- General Insurance policy – an Axa policy is held and appears to be in order.
- A budget document has been produced from which the annual Precept has been set, by full council, as is required. The details have been recorded sufficiently within the meeting minutes.
- Reserves appear to be on the high side and although a listing of potential spending has been provided I recommend that the Council considers the reserved funds listing for accuracy, as soon as possible, and that the document is signed off, made public and minuted accordingly. Any excess funds could be spent or used to off-set next year's Precept demand.
- IT and Website backup is completed by the Clerk and appears to be in order.
- Meeting Agendas provide good detail but, according to the documents on the website, do not include a summons to Councillors, as is required. It has been evidenced, however, that agendas e-mailed to Councillors do include this requirement. Also, some of the agendas on the website have not been dated and so the required '3 clear days' notice' has not been evidenced. I recommend that every future agenda is checked for a date and that adding the Councillors summons to the published agendas is considered.
- Meeting Minutes are well written, easy to follow and appear to be in order.
- General Data Protection Regulations – the 2018 update appears to have been adhered to and a Privacy Notice and GDPR Policy is in place. A Publication Scheme and a Complaints Policy are also in place representing good practice.
- Committees – none in place currently.
- Quotations – all quotes requested were supplied and complied with the Council's regulations.

Employment

- The Clerk is the only employee and there is a Contract of Employment in place.
- PAYE is overseen by the Clerk and the paperwork appears to be in order with payslips having been evidenced. The Clerk has opted out of a pension scheme.
- Staff appraisals and pay reviews take place annually and pay increases have been documented.

Asset Control

- Asset Register – the document was last updated in August 2019 and appears to be in order.

Banking and Bank Reconciliations

- Bank reconciliations – produced regularly and agreed by Council.
- Authorised signature numbers – currently standing at 4, which would appear to be appropriate.
- Internet banking is used and the process appears to work well.

Year End

- The completed 2018/2019 Audit Return documents are in order.
- Protected Rights – the document is in order.
- The year-end documents, to 31st March 2020, are being prepared and the Clerk has confirmed full understanding of the Audit requirements.

Summary

I can report that, within the areas checked, it is my opinion that Dartington Parish Council has good systems of internal control in place so as to support the lowering of risk to the Council. There are some areas highlighted within this report that require attention and I recommend that the Council takes time to consider these areas as a matter of priority. The recommendations have been provided to support future risk and internal control management.

Alison Marshall – April 2020

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