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To: Ugborough Parish Council

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Internal Audit Report for the year ending 31st March 2024

All Councils are required to implement an annual independent Internal Audit examination of its accounts, accounting processes and internal controls. The aim of this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these processes.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. This report may contain recommendations for Council consideration.

Standard Documentation

- Internal control systems – systems in place and tested regularly by the Council.
- Financial Regulations, Standing Orders, Code of Conduct – in place, last reviewed 2023.
- Website Accessibility Statement and Privacy Statement – in place.
- Email addresses – in order.
- Borrowing – none. Petty cash – not used. Councillor allowances – none.
- Council numbers – membership is currently full at 11 Councillors.
- Burial records – a burial process is in place. I recommend that the records are checked annually.
- Trust – in place but not used.

Public Funds

- Payment controls – controls are in place and all payments are checked by the Council for accuracy.
- Purchase/payment documentation/annual accounts – invoices crossed checked to the accounts have highlighted no issues. The unpaid cheque matter for £640 has been rectified.
- VAT – the correct process appears to have been followed. Note: only invoices made payable to the Council should be included within a VAT reclaim, I recommend that all purchases are made through the Council.
- Section 137 – not used as The General Power of Competence is held, this has been minuted.
- Other income – documented appropriately.
- Gifts – Council to consider public opinion when gifting public funds (gift to KB, defibrillator work).

Risk Management and Budget Control

- Risk Management Scheme – in place and dated May 2023, due for its annual review.
- Statement of Internal Control – in place.
- Insurance Policy – in place and due for renewal on 1st June 2024.
- Budget – a document is in place from which the annual precept has been set by full Council. The details have been minuted and the budget has been regularly reviewed.
- Reserve funds – a listing for 'earmarked' and 'general' reserves is in place.
- Minutes – not all final hard copy minutes have been initialled on each page and signed in full on the last page, I recommend that this is actioned going forward. The Council should take care not to

make what could be seen by the public to be decisions during the public open session ('Clerk to action' and 'it was agreed.....' and a donation of public funds to KB).

- Agendas – in order.
- Information Commissioners Office – annual membership confirmed.
- GDPR Privacy Notice and Policy – in place.
- Publication Scheme/Freedom of Information Policy – in place and both reviewed in 2023.
- Complaints Policy – in place.
- Play equipment – annual checks are carried out by the District Council.

Employment

- Contract of Employment – the Clerk/RFO has confirmed that a Contract of Employment is in place.
- PAYE/pay roll – dealt with 'in house' by the Clerk/RFO by way of the HMRC on-line system. The documents checked evidence deductions of PAYE (tax) and pension contributions. No National Insurance contributions have been paid due to salary levels. I recommend that the Council checks the details entered into the on-line system at least annually to confirm accuracy.

Asset Control

- Asset Register – in place and updated. I would query whether 'trees' should be listed as a fixed asset as this is unusual. I recommend that the document is published on the website.

Banking and Bank Reconciliations

- Bank reconciliations – completed monthly and checked by the Council for accuracy.
- Internet Banking – used and the process in place appears to work well with two authorised signatories signing the payment sheet to confirm payment accuracy.
- Bank signatories – currently standing at four which is in order. I recommend an annual review.

Year End

- Year-end 31/03/2023 - the External Auditor reported no issues. I note that the Trust boxes were not completed on the AGAR although the requirement is for all boxes to be completed.
- Public Rights 2023 – the correct process has been followed and the dates have been published.
- Year-end 31/03/2024 – the Clerk is in the process of completing this year's AGAR documents. I have been able to agree the year-end bank reconciliation. I note that the Trust box 11a has not been completed on the draft AGAR and I recommend that this is corrected prior to sign off/submission.

Summary

It is my opinion that Ugborough Parish Council has followed proper practices during the past year. The documents and processes viewed/checked were found to be in good order. I would conclude that the Council has robust systems of internal control in place to help lower risk to the Council. I have been able to sign off the AGAR Internal Audit Report with no issues highlighted.

Alison Marshall April 2024

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