

INTERNAL AUDIT REPORT 2022-2023

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Local Council Audit Services Internal Audit
Report
To the Members of St Dennis

Parish Council

Year Ending 31st March 2023

Final issue date: 03/06/23
Issued To: St Dennis Parish Clerk

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

An interim audit has not been undertaken and this report covers the activities of the Parish Council during the year.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable I have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' updated 2022.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. No face-to-face meetings were held with inspection of digital documents and inspection of the Parish Website used to reference findings.

GENERAL COMMENTS:

I would like to thank the Parish Clerk for her time and co-operation with this inspection.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In giving my internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

Not all matters have been assessed and future IA's will test those omitted in 2022/23.

I have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool.

AUDIT COMMENTARY:								Requiring Action
Items in bold text within the body of the report represent my findings in respect of the application of controls, text in <i>italics</i> represent suggested actions that fall short of being formal recommendation or do not necessarily pertain to the application of internal controls.								
Previous Recommendations								
Accounting Records								
<p>The Council utilises Scribe to record financial transactions, expenditure and income appear accurately recorded and a comparison between budget and actual provided. Testing showed them to be up to date and free from material errors.</p>								
<p>External Audit identified that PFT funds were included in balances reported on the AGAR - these have been removed and the AGAR restated. The clerk has provided clarification of this for internal audit.</p>								
<p>The clerk has arranged for limited access to the accounts audit and limited checking of this data has been used to formulate this IA report.</p>								
Financial Regulations and Standing Orders								
<p>Financial Regulations were not reviewed during 22/23 however they and are referenced in the current Standing Orders were reviewed in August 2022 - Minute ref 33/23. <i>It is recommended that FR's are reviewed if this has not already been undertaken</i></p>								
x								
Payments								
<p>A sample payment was tested to establish where the spending decision, procurement process, certification and approval for payment were in line with Financial Regulations. VAT was correctly accounted for and payment controls were applied.</p>								
Authority to spend:								
<p>It is noted that that Financial Regulations include a small scheme of delegated whereby the Clerk can authorise emergency expenditure up to £1000 - it is noted that expenditure in excess of £500 first requires C/CV approval. <i>As this was last reviewed in July 2021 it is recommended that this is reviewed due to the recent inflationary pressures.</i></p>								
x								
Procurement:								
<p><i>The Councils Quotations and Tenders Policy should compliment and reference the Local Government Procurement Regulations - available from Crown Commercial Services - www.gov.uk/guidance/public-sector-procurement-policy</i></p>								
x								
Payments:								
<p>Payments have been reviewed and testing identified and they appear free from material error and in line with the existing scheme of delegation and payment have been published in accordance with regulations.</p>								
<p>Financial Regulations allow for a Petty Cash Float of £100 (reviewed July 21) and for debit card payments up to £500 in any one transaction. It is recommended that limits are reviewed annually.</p>								
VAT:								
<p>VAT has been recorded correctly and returns submitted and refund received</p>								
Risk								
Risk Assessment:								

	<p>The Council approved the Risk Management Policy and incorporated Risk Register on the 4th October 2018. Consideration should be given to possible review.</p> <p>The Council reviewed its Business Continuity Policy which includes a schedule of risk in September 2022 148/22.</p>	x
	<p>Insurance:</p> <p>Not tested</p>	
	<p>Community Assets :</p> <p>Not Tested</p>	
Budget		
	<p>Setting:</p> <p>The Council has set a budget for 2022/23 - F43/20 ratified by Council 230/20 and submitted a precept request to the Billing Authority.</p>	
	<p>Monitoring:</p> <p>Regular financial reporting forms part of the Council agenda.</p>	
Income		
	<p>Income was received in a timely manner and recorded correctly within the accounts.</p>	
	<p>It is noted that system generated invoices are now being used</p>	
	<p>Precept:</p> <p>The precept payment received is in accord with that requested from the Billing Authority.</p>	
	<p>VAT:</p> <p>VAT reclaims are up to date</p>	
	<p>Grants:</p> <p>Grants have been received/paid and recorded within the Council accounts with s137 grants separately recorded.</p>	
Payroll		
	<p>2022/23 pay award and grade structure:</p> <p>The new national pay scales have been accurately implemented and the adjustment to retain the uplift on the minimum wage approved.</p>	
	<p>Officers:</p> <p><i>Officers salaires - no errors to reports however it is noted that not all staff are members of a pensions scheme and records should be kept to show that those who choose not to have 'Opted Out' in accordance with auto-enrolment regulations.</i></p>	
Bank Reconciliations		
	<p>Bank Reconciliations are regularly undertaken and are reviewed and approved by Members when reported to Council.</p>	
Electors Rights		
	<p>The Council has met its obligations under the Accounts and Audit Regulations in respect of the availability of the accounts for public inspection and for the publication of the audited accounts and auditor's report.</p>	

Comments on other matters		
	The Council has met its requirements in complying with both the General Data Protection Regulations (GDPR) with a publish Privacy Policy and also with recommended practices on Accessibility. The clerk is identified as the GDPR officer.	
	The Council has met its publicaiton requirements regarding expendiutre in excess of £500	

The Council's INTERNAL AUDIT RESPONSE RECORD - St Dennis Parish Council

No	Recommendation	Management Response	Timescale/ Responsibility	Follow Up (for auditor use)
FINAL REPORT - 2022/23				
1.	<p>It is noted that that Financial Regulations include a small scheme of delegated whereby the Clerk can authorise emergency expenditure up to £1000 - it is noted that expendiure in excess of £500 first requires C/CV approval. As this was last reviewed in July 2021 it is recommended that this is reviewed due to the recent inflationary pressures.</p>			
2.	<p><i>The Councils Quotations and Tenders Policy should compliment and reference the Local Government Procurement Regulations - available from Crown Commerical Services - www.gov.uk/guidance/public-sector-procurement-policy</i></p>			
3.	<p>The Council approved the Risk Management Policy and incorporated Risk Register on the 4th October 2018. Consideration should be given to possible review. The Council reviewed its Business Continuity Policy which includes a schedule of risk in September 2022 148/22.</p>			
4.	<p><i>Officers salaires - no errors to reports however it is noted that not all staff are members of a pensions scheme and records should be kept to show that those who choose not to have 'Opted Out' in accordance with auto-enrolement regulations.</i></p>			
5.	<p>Financial Regulations were not reviewed during 22/23 however they and are referenced in the current Standing Orders were reviewed in August 2022 - Minute ref 33/23. It is recommended that FR's are reviewed if this has not already been undertaken</p>			