

8th May 2019 Report for Councillors

Internal Audit Report
Mrs Judy Raybould

Internal Control Objectives

Item	Agreed? Please choose one of the Following		
	Yes	No	Comments
A	Yes		<p>Annual Donation / Distribution Statement enclosed in the Accounts to the Value of £250.</p> <p>Grant Request Forms present from:</p> <ul style="list-style-type: none"> • Beckington Memorial Hall <i>Supporting Dispensation request form and outcome form related to the Memorial Hall.</i> • St George's PCC <p>Where donations and Grants have been gifted all of these are in the minutes and approved by The Parish Council. This is an example of good practice and are filed in the letters section of the Accounts file. This provides an Audit trail. (July 2018)</p> <p>Clerk's Expenses: The expenses consolidation sheets now include receipts where appropriate. This is good practice that receipts the are now present and could aid in the reclaiming of VAT on items where applicable.</p> <p>Accounting for the Clerks expenses has been agreed by Council to record in this manner where there is no Petty Cash system in place for the Parish Council.</p> <p>The Claims form contain further checks as internal controls. In the Sample of 4 Clerk's expenses forms two had been checked and two had not but none of the claim forms had been signed by the Chairman or Internal checker.</p> <p>Where appropriate there is evidence of Councillor Expense Claim Forms now including receipts to support expenses claims. There were two Councillor expenses forms in the sample. One had been signed by a Member and the other not. Neither forms had been signed off by the Chairman or Financial Member.</p> <p>Expenses Claim 39A1 is missing a receipt and the minutes of the October 2018 reflect this.</p>

			<p style="text-align: center;">Evidence:</p> <p>I viewed cheque stubs from Cheque number 000856 - 000922. All cheque stubs contained two signatures except cheque stubs 000833 which only had one signature.</p> <p>There is evidence that there are three active signatories on the account.</p> <p>Normal monthly expenditure is not fully reported to the Council. However, all receipts and invoices are logged and tally with the Bank Reconciliation Reports. Additional expenditure is highlighted to Councillors and reported and recorded in the minutes.</p> <p>Budget and Bank Reconciliation reports present to the Council monthly which is over and above the quarterly requirements.</p> <p>Good Practice: I would seek to list all monthly expenditure and record the monthly total on the minutes.</p> <p>Not every page of the minutes are signed off and I would advise that each page is signed off moving forward. It is an effective internal control check.</p>
B	Yes		See notes above in section A
C	Yes		<p>Full and detailed explanation of significant variations 2018 /2019. Capital Projects appear over spent but 106 to be sought and payment received in the new financial year. Supported by a full and detailed budget sheet.</p> <p>Financial Risk Assessment reviewed and adopted by the Parish Council in November 2018.</p> <p>Financial Regulations adopted in June 2018.</p> <p>There is a more informal management in place to review finances. There is yet to be a regular check on the accounts. The Clerk and RFO has created a 10 point check list to help the checking process. And there are Agenda Items requesting the appointment of an Internal Checker. I would recommend the Council appoint a nominated Councillor to complete this task quarterly and that support has been given to the Clerk. Alternatively, review budgets to fund the services of an Internal Audit check more often throughout the year. E.g. A 6-month Internal Audit check.</p>
D	Yes		Agreed
E	Yes		Agreed
F			The Council does not operate a Petty Cash system.

G	Yes		Salary payments are not reported as form part of a regular planned expenditure to the Council. However, variations of unexpected or additional expenditure are logged to be reported to the Council, when they do not form part of the routine monthly expenditure. The Council is provided with a Budget Report and Bank Reconciliation Report monthly, in line with the financial regulations. Good Practice: I would seek to list all monthly expenditure including the salary, NI Contributions.
H	Yes		Asset list received with one amendment to remove the Freehold of the Memorial Hall and adopted in May 2018 with this change.
I	Yes		The accounts were recorded monthly and presented to the Parish Council. Minutes confirm the approval of accounts and Bank reconciliation received and noted.
J	Yes		Agreed
K	Yes		Recorded in the May 2018 minutes section ACM 21

Signatories:

Efforts have been made to increase the number of signatories for the Parish Council.

Signatories are:

- Clerk
- Cllr Beresford (Evidence of signatory duties being fulfilled from April 2018)
- Cllr Wright (Evidence of signatory duties being fulfilled from July 2018)
- Cllr Winterbourne

Meeting Length:

There has been a marked effort to keep meetings within a 2 Hour meeting length.

To Note:

Additional Expenditure for Approval / Declined by Council

Bus Shelter: November 18 by majority vote the decision was taken not to approve the payment required for the Clerk to make a Retrospective Planning Application, although it is acknowledged by the Council the Bus Shelter on the Frome Side of the road is not situated in the correct location. This action was against the recommendation of the Clerk.

Mrs Judy Raybould
Town Clerk
Somerton Town Council