

8<sup>th</sup> May Report for Councillors  
Internal Audit Report Mrs Judy Raybould

Internal Control Objectives

Item	Agreed? Please choose one of the Following		
	Yes	No	Comments
A		No	<p>No record of Clerk's salary for Nicola Duke (March) and no record of related HMRC payment present. <i>This was the previous clerks salary of which the new current Clerk was not responsible for the input and recording of via PAYE records.</i></p> <p>Grant Request: no evidence of the Grant Request recorded in Invoice section for cross reference purposes.</p> <p>Grants:</p> <ul style="list-style-type: none"> <li>• St Georges Chapel*</li> <li>• Memorial Hall**</li> <li>• Baptist Chapel**</li> <li>• Network*</li> <li>• Air Ambulance*</li> <li>• CAB*</li> <li>• MCT*</li> </ul> <p>*: Evidence found in letters **: No Evidence of Grant request</p> <p>Grant Evidence missing for J. Brook for ongoing postage cost grant.</p> <p>Where donations and Grants have been gifted all of these are in the minutes and approved by The Parish Council. However, it would be good practice to include in the receipts / invoice section a copy of the donation amount for the month approved. Helps with Audit trail.</p> <p>Missing Clerk's Expenses: There are no receipts to support the expenses consolidation sheets for:</p> <ul style="list-style-type: none"> <li>• March – June 2017</li> <li>• July – September – 2017</li> <li>• October – Dec 2017</li> </ul> <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>Good practice would advise that receipts are present and could aid in the reclaiming of VAT on items where applicable.</p> <p>Receipts not present to support expenses claim from Councillor Steve Cundy.</p>

			<p>Evidence:</p> <p>A new Councillor Expenses process has been adopted for Councillor Expenses and is currently in place with a request to submit receipts with the exception being fuel. June 2017 Meeting minutes reflect this change in the Internal Audit report and recommendations for change in this area.</p> <p>I viewed cheque stubs from Cheque number 000807.</p> <p>Cheque Stubs not signed: 000807, 000808, 000829, 000851, 000852, 000853  Cheque Stubs with only on signature: 000817-000827 &amp; 000830-000848, &amp; 000850, 000854, 000855</p> <p>The Clerk has frequently brought back to Council the need for more signatories on the account. There is evidence that Cllr Beresford is fully implementing the requirements when signing from March 2018. Councillor Wilson is still to submit his application forms to Natwest to become a signatory.</p>
B		No	See notes above in section A
C	Yes		<p>Full and detailed explanation of significant variations 2017 /2018. Supported by a full and detailed budget sheet. However, I would recommend a Financial Risk Assessment is drafted for review and adopted by the Parish Council.</p> <p>There was no evidence of a Financial Risk Assessment and should as good practice be carried out annually. There was proposed to set up a resources committee but rejected in January 2018 by the Parish Council. There is a more informal management in place to review finances however there is no formal check of accounts present in the evidence to say this has been carried out by the Council's appointed person and that support has been given to the Clerk.</p>
D	Yes		Agreed
E	Yes		Agreed
F			Not Applicable.
G	Yes		<p>Improvements have been made in the reporting of the Clerks wages / expenses. Copies of payments to HMRC are noted independently. However:</p> <p>June, July and September, October Minutes: Only state Clerk' Salary. HMRC Amounts are not noted.</p> <p>May: In the minutes the only entry listed is the Clerks overtime is at £163.24. This includes HMRC amount. Clerks wages were not listed in the minutes for approval. Payment made: £332.67  <i>Evidence in HMRC Log and wages sheet to show payment made is accurate. Although approved under circumstances around the Clerk's Salary Payment item ACM14.</i></p>

			September: Clerk's wages noted but HMRC contribution not noted. <i>On further investigation the HMRC was not submitted as account in credit.</i>
H	Yes		Asset list received and adopted in June 2017
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

Signatories:

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

Signatories are:

- Clerk
- Cllr Wright
- Cllr Beresford ( Evidence of signatory duties being fulfilled from March 2018)
- Cllr Wilson (Appointed in June 2017. Application Pending)

Meeting Length:

Meetings tend to exceed 2.5 hours. Where good time is made in meeting the Agenda is structured with a recommendation from the Clerk. In meetings where recommendations are provided for consideration the meetings are shorter in length indicating the meetings are more focused on the agenda items to be considered.

Recommendation would be to work towards a 2 hour meeting length. Where the meetings appear to exceed this the Parish Council should vote to continue or indeed refer matters not covered to the following meeting. This would be reflected in the Stranding Orders to be agreed at the Annual Meeting.

Mrs Judy Raybould  
Deputy Town Clerk  
Somerton Town Council