

Bridget.C.Bowen FCA
86 High Street
Weston
Bath BA1 4DD

Tel: 07465 416597

Email: bridget.c.bowen@outlook.com

Ms E Sylvester
Clerk to St Andrews Parish Council
Redhouse Community Centre
Frankel Avenue
Swindon SN25 2GY

10 June 2021

Dear Emma

ST ANDREWS PARISH COUNCIL

Internal audit report - Year ended 31 March 2021

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2020-21 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for 2020-21 on 10 June 2020.

My second and final review for 2020-21 was completed on 10 June 2021.

Background

St Andrews Parish Council has income and expenditure of between £300,000 and £400,000 and is subject to review by the external auditor, PKF Littlejohn. The external auditor issued a clean audit report for 2019-20.

The Council is not a sole managing trustee.

The Council has income and expenditure in excess of £200,000 and it is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on RBS Omega.

Internal audit checks

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit I checked the following:

- Minutes of Council Meetings
- Bank and cash
- Petty cash
- Investments
- Detailed checks on Community Centre income
- Detailed checks on payroll
- VAT claims
- Year end checks

Findings

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

Good practice

- The Clerk is an Advanced Qualified Clerk
- The Council maintains its books and records on RBS software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- Bright Pay is used for the payroll

Good practice continued

- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- Councillors undertake regular spot checks throughout the year
- The risk assessment has been adopted during the year
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

Recommendations

Minutes of meetings

- All minutes have been approved at the next Council meeting, [but they have only been physically signed and initialled up to 9 September 2020 as up to 31 March 2021 all meetings have been held remotely and the Council has deemed it an unnecessary risk to travel to arrange to have the minutes signed. It is recommended that the Council make provision for the remaining unsigned minutes to be signed by the Chair as soon as possible.

Income and expenditure

- The payment schedule for March 2021 should be taken to the next Council meeting for approval and included in the minutes
- Controls over cash receipts in respect of Redhouse Community Centre bookings are currently not adequate. Cash receipts are not recorded on the RBS accounting system until they are paid into the bank. There is sometimes a period of several months between the cash being received and it being banked. This is not correct and has led to timing errors in the recording of income received on the RBS system. It is recommended that cash is banked every month, before the month end, irrespective of the amount.
- Cancellations of Redhouse Community Centre bookings are not always communicated to the RFO in a timely manner. This can lead to income being recorded on the RBS system as owing when it is not. It is recommended that cancellations are reported to the RFO each month so that credit notes can be issued on the accounting system and income is correctly recorded.

Risk assessment and insurance

- The Council should consider increasing its fidelity guarantee insurance to cover the year end balance plus half the annual precept

Asset register

- The Council considers including the de-minimus limit in the Financial Regulations below which assets are not recorded separately.

Transparency

- The Council should add the details of its land assets and grants details to the website in order to comply with the Local Government Transparency Code (2015).

Staffing requirements

- The Clerk/RFO's role and responsibilities have increased significantly over the past twelve months since the grounds maintenance function has been taken in house, and the Council has become more active. It is recommended that administrative support will be required in the coming months to enable the Clerk to continue to meet her responsibilities and for the Council to continue to function smoothly.

Other matters to be brought to the Council's attention

- The Annual Internal Audit Report was completed with positive responses to all relevant assertions.

Conclusion

Based on the tests I have carried out at this interim internal audit visit, in my view, the internal control procedures in operation are adequate to meet the needs of St Andrews Parish Council.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely



Bridget Bowen FCA

Internal auditor