

V2. 06/06/2023 To: Dittisham Parish Council

### **Internal Audit Report for the year ending 31/03/2023**

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 remote internal audit, which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. The report may contain recommendations for Council consideration.

### **Standard Documentation**

- Internal control systems – in place and checked regularly by the Council.
- Financial Regulations, Standing Orders, Code of Conduct – in place.
- Website Accessibility Statement, Privacy Statement – in place.

### **Public Funds**

- Payment controls – in place and the Council regularly checks the finances.
- Purchase and payment documentation – items cross checked evidenced no issues.
- VAT - requirements appear to have been adhered to. Reminder: VAT should not be re-claimed from invoices not addressed to the Council or not paid directly by the Council. I recommend that all invoices are raised by the Clerk and paid by the Council to make full use of the VAT reclaim system.
- Accounts – the SCRIBE system is used and the documents are easy to read and understand.
- Section 137 payments – the 'power' appears to have been used correctly in most cases. I note that £200 of 'wine and nibbles' has been purchased, and that funds have been 'paid to a resident' for a 'Jubilee lunch' which would indicate the further food and drink purchases. As the Council has no 'power' to purchase such items I recommend that this area is reviewed and that the noted payments are moved to the Section 137 listing if appropriate.
- Borrowing – a loan is in place and the documentation viewed appears to be in order. The audit forms produced by SCRIBE at the time of this check show an incorrect loan balance, the Clerk is looking into this.

### **Risk Management and Budget Control**

- Risk Management Register, Statement of Internal Control – in place.
- General Insurance policy – I recommend that cyber security is added if not already in place.
- Budget – a document in in place from which the annual precept has been set and minuted.
- Reserve funds – a listing is in place. General reserves of over £25,000 as at 31/03/2023 seem to be a little high for the size of the Council, I recommend that this is considered.

- Agendas – appear to be in order although ‘extraordinary’ meeting agendas have been signed by the Clerk when the standing orders indicate that ‘extraordinary’ meetings should be called by the Chairman (or 2 Councillors) and so the agenda should be signed by that source. I recommend that this area is reviewed. I note that there have been quite a few ‘extraordinary’ meetings throughout the year which is unusual.
- Minutes – appear to be in order.
- Publication Scheme/Freedom of Information Scheme – in place. I recommend that these policies are separated to help with public understanding, and as would be usual.
- Play equipment checks – carried out.

### **Employment**

- Contract of Employment – in place for the Clerk.
- PAYE and Payroll – outsourced to SHDC and the documentation viewed appears to be in order.
- Pension – in place and payments to the NEST scheme have been evidenced.
- Pensions Regulator – the information has been updated.
- Salary reviews and overtime – agreed and minuted.

### **Asset Control**

- Asset Register – in place and recently updated. The spreadsheet copy I viewed did not have any purchase dates listed and I recommend that this is corrected for the published version.

### **Banking and Bank Reconciliations**

- Bank reconciliations – produced regularly and shared with the Council.
- Internet Banking – used. The Council checks the documentation regularly for accuracy.
- Authorised signatories – appear to be in order with 5 signatories for each bank account as at the time of this audit.

### **Year End**

- Year-end 31/03/2022 – the AGAR internal audit report (page 3) has been published on the website but cannot be accessed by all devices, including mine, although all other relevant documents can. I recommend that the document is re-loaded onto the website which may make a difference.
- Public Rights year ending 31/03/2022 – no issues identified.
- Year-end 31/03/2023 – the Clerk continues to work on the requirements as at the time of this audit. Due to this, I have not checked all the final year-end documentation and so recommend that, prior to sign off, the Council thoroughly checks the AGAR loan balance, the year-end bank reconciliation and the debtor and creditor accounts.

### **Summary**

I would conclude that Dittisham Parish Council has followed proper practices during the past financial year and that it has good systems of internal control in place. Regular checks have been made by the Council to confirm accuracy. I understand that the Clerk is now CiLCA qualified which will help further with processes and risk management moving forward.

May 2023

Local Council Administration Services