

Alison Marshall - Local Council Administration Services

Dinneford House, Dinneford Street, Thorverton, Devon EX5 5NU

t. 07801 575521 / 01392 861228 e. alisonmarshall.lcas@gmail.com

To: Modbury Parish Council

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Internal Audit Report 2020/2021 for Modbury Parish Council

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 systems.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. Recommendations for Council consideration have been highlighted in bold print.

Standard Documentation

- The Council has tested internal control systems regularly.
- A Financial Regulations document is in place and in order.
- A Standing Orders document is in place and in order.
- A Covid 19 addendum Standing Orders document has **not** been put in place as would have been expected. Plans have been documented with regards to delegating tasks to the Clerk during the pandemic, however.
- A Code of Conduct is in place and is in order.
- The Transparency Code for smaller authorities does not apply.
- The required Website Accessibility Review has been completed and a statement is in place.
- Website – as a member of the public, and someone who is used to viewing Council websites, I found the website very difficult to navigate and was unable to find some documents that should have been easily accessible. I recommend that the site receives a review as soon as possible and that documents are 'grouped' in relevant sections to make them easier to locate.

Public Funds

- Payment controls are in place and the Council oversees all payments regularly.
- Purchase and payment documentation cross checked to the accounts was found to be in order.
- VAT requirements have been adhered to.
- Petty Cash – not held. Borrowing - none. Trusts - not applicable.
- The accounts appear to be in order. Section 137 payments are not applicable due to the General Power of Competence having been adopted. The receipts and payments method is being used.

Risk Management and Budget Control

- A Risk Management Scheme is in place and is in order (review annually).
- A Statement of Internal Control is in place (review annually).
- The annual general Insurance policy appears to be in order.
- A budget document has been used to set the annual Precept and by full Council and the precept outcome has been minuted appropriately.

- Reserve funds are listed and appear to be in order.
- Meeting agendas are in order and Councillors are correctly 'summonsed' to full meetings. The required notice period has been adhered to.
- Meeting minutes are in good order and decisions have been well recorded.
- Annual membership of the Information Commissioners Office (ICO) has been confirmed.
- A GDPR Privacy Statement is in place along with the required Publication/FoI Scheme although not easily located on the website.
- Committees have been set up with relevant Terms of Reference noted.
- Play equipment has received the official annual inspection as required.

Employment

- New Clerk - the appointment has been minuted. The Contract has not been viewed.
- PAYE is dealt with by the Clerk and the documentation viewed appears to be in order.
- Staff appraisals – pay increases have been minuted.

Asset Control

- There is an Asset and Investment Register in place but the document would benefit from a review with regards to its structure.

Banking and Bank Reconciliations

- Bank reconciliations have been produced monthly and shared with the Council.
- Internet Banking is used and the process appears to work well.

Year End

- Year-end 31/03/2020 - the External Auditors report raised no issues. I note that the AGAR Section 2 form had an 'unticked' box and so recommend that all forms are double checked prior to submission.
- Public Rights - the document has been completed correctly and published as required.
- Year-end 31/03/2021 - the Clerk has confirmed understanding of this year's Audit requirements and has also confirmed that bank account transfers have not been included in the overall AGAR Section 2 figures.

Summary

It is my opinion that proper practices have been followed and that the Council has some robust systems of internal control in place so as to support the lowering of risk. I have commented on just a few areas in order to support the effectiveness of risk management and governance processing further.

Alison Marshall April 2021