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2 March, 2021

The Parish Clerk
Alderbury Parish Council
PO BOX 2366
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Dear Steve

Interim Internal Audit Report

Alderbury Parish Council – April 2020 to December 2020

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. We confirm that we are independent of the Council.

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

We 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).

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The Parish Clerk confirmed that wet signatures will be obtained from the Chairman to sign the Minutes of meetings to confirm their accuracy and provide the evidence of the approval of decisions when it is possible for the Council to meet face to face.

The Clerk has stated that “exchange of documents for signature during the Covid 19 pandemic has been avoided. Therefore, no authorisation has been possible by Councillors to initial invoices before payment is made. Invoices are saved in Scribe since the commencement of the new Parish Clerk. The Vice Chairman has access to Scribe and will keep the invoices under review. All payments are reported to the Council each month”.

Internal audit checks

We 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 review.

During this visit we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Insurance
- Budgets and Reserves
- Transparency of the Council website
- Covid 19 arrangements.

Findings

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

Good practice

- The Council maintains its books and records on Scribe software
- The Council is aware of the requirements of GDPR
- The Council is registered with the ICO
- Details of total payments authorised at meetings are recorded in the Minutes
- Income was traced and agreed to the financial ledger
- The budgeting process is detailed and monitored throughout the year
- Bank reconciliations are carried out regularly
- The insurance cover held is sufficient for the size of the Council
- The Council takes an active scrutiny role
- VAT claims are made regularly

Recommendations

Bank Reconciliations

- the bank reconciliations should be printed off, signed and dated by the Clerk each month.
- the Chairman should sign and date the bank reconciliations quarterly to confirm that bank reconciliations have been carried out accurately as part of Parish Council scrutiny role.

Audit Note: *We note that this can only be completed when it is possible for the Council to meet face to face.*

. Invoice Approval

- Each Invoice should be initialled by the Clerk to confirm that an authenticity check has been carried out to confirm the amount to be paid and that goods and services have been delivered.

Audit Note: *During the Covid 19 pandemic the Clerk should obtain payment approval by email from at least one Councillor before the list of invoices to pay are taken to the Parish Council for payment ratification.*

Other matters to be brought to the Council's attention

- It is noted that the Council have now reviewed its risks for 2020/21 and this was approved at a Full Council meeting in January 2021.
- An adjustment will need to be made in the Scribe software at the end of the financial year 2020/2021 to confirm that the total payments received from HMRC and the transactions recorded on Scribe have been reconciled.
- It is our opinion that the Council has carefully considered its budget and Precept setting for 2021/2022 as decisions made in December 2020 will affect the financial health of the Council until March 2022.
- Any likelihood of any change in Wiltshire Council tax base for 2021/2022 would also have an effect on the Council's ability to sustain its current level of service provision if the Precept level were not increased for 2021/2022. This would further impact on whether the Council might need to reconsider the facilities it offers if the Reserves could not sustain the financial security of the Council. (**Audit Note:** *We note that the Council have increased its Precept for 2021/2022*).
- The Council have approved the Asset Register at their January 2021 meeting to ensure that the asset items are recorded correctly as these will needed to be accounted for when completing Box 9 of the Accounting Statements on the AGAR 2020/2021.
- We note that a new website will provide opportunities to ensure that the Parish Council continue to comply with the best practice requirements of the Transparency Code Regulation 2015. Up to date policies should be uploaded on the Website to ensure compliance with the best practice requirements of the Governance and Accountability for Smaller Authorities in England.
- The Council should display all best practice requirements of the Transparency Code Regulation 2015 on their website. The full requirements of the Code include the following:
 - a. all items of expenditure above £500
 - b. end of year accounts
 - c. annual governance statement

- d. internal audit report
- e. list of councillor or member responsibilities
- f. the details of public land and building assets
- g. Minutes, agendas and meeting papers of formal meetings

Audit Note: It is noted that the Parish Clerk is aware of the need to review and ensure that the Parish Council website is compliant with the requirements of the Transparency Code Regulation 2015. The Council has recently resolved support from new Website Provider to support the Clerk with this. We understand the provider has been asked to review both the formatting, archiving of the website and to ensure they provide all the requirements to comply with the Transparency Code 2015.

- The Website Accessibility Statement should be displayed on the Council Website to comply with the requirements of the Website Accessibility Regulation 2018 that was introduced on the 23 September 2020. ***(Audit Note: It is recommended that the Accessibility Statement records that scanned pdf documents do not comply with the Accessibility Regulation but these documents can be provided in an alternative format or on alternative media, on request).***

Conclusion

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Alderbury Parish Council except where recommendations have been made in this report. The relaunch of the Councils website will also ensure that the Council will remain compliant with the Transparency Code Regulation 2015.

Next review

The next internal audit review has been arranged for **Friday 16 April 2021**.

At this review detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Income and expenditure
- VAT claims
- Payroll
- Asset Register
- Website Accessibility Regulation 2018
- Transparency Code Regulation 2015
- End of Year Procedures

Next Steps

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

Tim Light FMAAT
Internal auditor