

DRAFT INTERNAL AUDIT REPORT

TO

**MAPPLEBOROUGH GREEN
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2017 - 2018

Prepared by: Bill Robinson

Issued June 2018

Contents

		Page
1.	Statement of responsibility	2
2.	Detailed findings	3 -5
3.	Conclusion	6

Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with Mappleborough Green Parish Council

This report has been prepared solely for Mappleborough Green Parish Council's use and should not be quoted in whole or in part. No responsibility to any third party is accepted as the report has not been prepared, nor is intended, for any other purpose.

The matters raised in this report are only those which came to my attention during the course of the audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The Parish Council should assess recommendations for improvements for their full impact on the Parish Council's budget, financial regulations, standing orders, risk assessments, and any other activities before they are implemented.

The responsibility for a sound system of internal control rests with the Parish Council and therefore audit work performed by the Internal Auditor should not be relied upon to identify all circumstances of fraud or irregularity should there be any, although these internal audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance. Effective implementation of Internal Audit recommendations by the Internal Auditor to the Parish Council is important for the maintenance of a reliable internal control system.



Consultant

W.J.Robinson. BA (Hons) MA

74 George Street
Stockton
Southam
Warwickshire
CV47 8JT

Tel: 01926 814094
Mobile: 07732 638336
e-mail:wj.robinson@tiscali.co.uk

Mappleborough Green Parish Council Internal Audit for the Financial Year 2017 - 2018

The Internal audit was undertaken on 5th June with the Parish Clerk.

Accurate book keeping

- Entries to the cashbook spreadsheet were checked and found to be up to date and correct.
- Bank reconciliation – this was checked and found to be correct.
- In addition an audit trail of the following cheques was carried out.

Payments

For year 1st April 2017 to 31st March 2018

Date	Cheque No.	Min. ref./Item	Payee	Amount
03/07/17	Bank Payment	507/14.2	D.Bennett	£236.00
03/07/17	Bank Payment	507/14.2	Zurich	£385.66
04/09/17	300001	517/15	W.Robinson	£99.00
04/09/17	D.Debit	517/15	NEST	£13.34
06/11/17	Bank Payment	522/12	MG School	£300.00
06/11/17	Bank Payment	522/12	A.Cameron	£618.94
08/01/18	Bank Payment	527/13	SLCC	£93.00
08/01/18	Bank Payment	527/13	HMRC	£60.80
12/03/18	Bank Transfer	534/13	Bank Transfer	£5,000.00
12/03/18	Bank Payment	534/13	WALC	£70.00
12/03/18	Bank Payment	534/13	WALC	£46.00
12/03/18	D. Debit	534/13	NEST	£24.56

All cheque audit trails were satisfactory
Cancelled cheque was properly dealt with

Receipts.

It was noted that all receipts were properly accounted for.

Budget Controls

It was noted that a bank statement is issued by the Clerk/RFO at each meeting to show payments, and that bank reconciliation statements are produced on an annual basis. The Council may wish to consider whether a more frequent bank reconciliation would assist in managing the parish accounts.

It was noted in an appendix to the agenda for the meeting on 15th May 2017 that all annual regular payments were listed.

It was noted in minute page 527 item 13.2 that the precept level was approved.

It might be in the Parish Council's interest to consider using a formal method of arriving at a precept figure e.g. using the budget figures for income and expenditure provided by the Clerk and carry out a line item budgeting process to ensure that all items of expenditure and income are captured on an annual basis. This system could also be utilised to carry out a budget monitoring process throughout the year.

The Internal Audit Report 2017-18 page 3 of AGAR has been signed by this internal auditor with item F marked as Not Covered, this is not a reflection on the Council's ability to manage its finances it is a requirement where there is no petty cash.

Income Control

It was noted that receipts were banked promptly, and the receipts and payments spreadsheet satisfactorily checked against the bank statements

It was noted that the VAT repayments for the financial year 2017 – 2018 have been properly made.

Unity Trust Bank

It was noted in minute page 495 item 13.2 that the MGPC HSBC account has now closed with the Unity Trust Bank account now fully operational.

Annual Governance Statement

It was noted in minute page 495 item 13.1 that the annual governance statement was approved and signed

Annual Accounting Statement

It was noted in minute page 495 item 13.5 that the annual accounting statement was approved and signed

Minutes of the Parish Council meetings

All minutes checked, and found to be satisfactory, with no unusual activity.

Parish Council Agendas

It was noted that all agendas were properly signed and dated.

It would be in the Council's interest to consider adding Dispensations as a standing item on the agenda immediately after the Declarations of Interest.

It might be in the Council's interest to consider adding planning applications, and invoice payment details to the agenda, perhaps in the form of appendices to the agenda for public consumption.

Financial Regulations

It was noted in minute page 495 item 10 that the Parish Council reviewed, and adopted the NALC model Financial Regulations.

It would also be in the Parish Council's interest to acquire the March 2018 copy of the Governance and Accountability for Smaller Authorities, Practitioners Guide.

Standing Orders

It was noted in minute 495 item 10 that the Parish Council reviewed, and adopted the NALC model Standing Orders.

Insurance

It was noted in minute page 496 item 13.9 that the Parish Council is in a 3 year plan with Zurich as insurer.

Risk assessment

It was noted that the risk assessment document identifies the following risk:-
"Cllrs involved in decisions who have an interest" and as a remedy effectively:-
"Train the Clerk

Given that interests are a matter for individual Cllrs to consider, the Parish Council should review this remedy and perhaps consider as an alternative " Cllrs. to contact the Monitoring Officer (either through the Clerk or by themselves"

NB The Clerk may give advice but the Monitoring Officer is the final arbiter.

The Council should also consider whether it can cope should the Clerk be suddenly unable to carry out her functions. Is the Council aware of the Clerks Locum scheme, or indeed a key worker insurance scheme to offset the possible payment of two salaries.

Asset Register

The asset register was reviewed checked and found to be up to date, although with some items to be removed in the next financial year.

Petty cash

It was noted that Mappleborough Green Parish Council does not operate a petty cash scheme, and this was recorded as Not Covered on Item F of the Internal Audit Report 17/18 AGAR page 3.

Payroll

It was noted that the Parish Council has been registered as an employer with HMRC and the Clerk identifies all PAYE and NICS to HMRC using the basic PAYE tools software and a summary of payments was seen.

Receipts and Payments spreadsheet

The receipts and payments spreadsheet was checked and found to be accurate

Year end Accounts

The year end accounts were checked and found to be arithmetically correct

Sec 137 payments

It was noted that there were no payments under Sec.137.

The Clerk should be aware at all times of the need to have a defined power to spend money.

General Power of Competence

It would be in the interests of the Parish Council to consider whether the acquisition of this power could assist the Council in its day to day business. If the Parish Council wishes to obtain GPC the Clerk will have to undertake the required training programme.

Code of Conduct

It was noted in minute page 526 item 8 that the Parish Council has formally adopted the Code of Conduct from Stratford on Avon District Council

Data Protection and Transparency Act

It would be in the Council's interest to have all Cllr. Emails held within the website envelope.

Internal Auditor

It was noted in minute page 495 item 10 that the internal auditor for 2017-18 was approved.

Internal Audit Review

It was noted in minute page 495 item 13.3 that the last internal audit report was studied and the Clerk instructed to act upon findings as necessary – this is good practice but the Parish Council needs to be aware of the findings and what they wish the Clerk to do.

External Contracts

It was noted in minute page 495 item 13.8 that the maintenance contract for Abbeyfields Footpath/Dog Island was approved – it is good practice to formally discuss and approve all contracts.

Conclusion

Whilst undertaking the Internal Audit, it became apparent that the Clerk is carrying out her responsibilities in a manner consistent with the standard required by Local Government Finance Regulations.

It was also apparent that the RFO has understood the requirements of the role and given that she has been in position for approximately five years is performing her duties well.

Where I have commented on future actions, these are only for Mappleborough Green Parish Council to consider, and implement only if the Council feels that they will improve the Council's procedures.

It will be noted that in Section 4 of the Annual Return the internal auditor has marked item F as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Mappleborough Green Parish Council it means that the Parish Council carries no petty cash. This has been indicated on Schedule G 2 of the annual return.

This concludes the Internal Audit.

Signed.....



Dated... 5th June 2018