

**INTERNAL AUDIT REPORT**

**TO**

**MAPPLEBOROUGH GREEN  
PARISH COUNCIL**

**FOR THE FINANCIAL YEAR**

**2018 - 2019**

**Prepared by: Bill Robinson**

**Issued July 2019**

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### **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.



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## Mappleborough Green Parish Council Internal Audit for the Financial Year 2018 - 2019

The Internal audit was undertaken on 19<sup>th</sup> July with the Parish Clerk/RFO and Cllr.Cameron.

### 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 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

Payment method	Min. ref./Item	Payee	Amount
Elec. Payment		WALC	£200.00
Elec. Payment		D.Bennett	£118.00
Elec.Payment	9 <sup>th</sup> July 18	Stratford D.C.	£496.13
Elec.Payment	9 <sup>th</sup> July 18	HMRC	£58.80
Elec. Payment	3 <sup>rd</sup> Sept.18	W.Robinson	£99.00
D.Debit	12 <sup>th</sup> Nov.18	NEST	£24.07
Elec. Payment	12 <sup>th</sup> Nov.18	D.Bennett	£118.00
D.Debit	14 <sup>th</sup> Jan. 19	123 Reg.	£100.60
Elec.Payment	14 <sup>th</sup> Jan. 19	M.G.School	£350.00
Elec. Payment	14 <sup>th</sup> Jan. 19	Unity Trust	£18.00
Elec. Payment	1 <sup>st</sup> Apr.19	HMRC	£40.58
Elec.Payment	1 <sup>st</sup> April 19	D.Bennett	£50.00

All cheque audit trails were satisfactory

### **Receipts.**

It was noted that all receipts were properly accounted for.

### **Budget Controls**

It was noted that monthly bank statements are issued by the Clerk/RFO at each meeting to show payments, and that bank reconciliation statements are produced on an annual basis – this is good practice.

It was noted in minutes of 12<sup>th</sup> November 2018 that the Clerk provided a budget spreadsheet for discussion of the budget and precept level for the year 2019-2020.

It was noted in the minutes of 12<sup>th</sup> January 2019 that a budget and precept level for the year 2019-2020 was formally approved

The Internal Audit Report 2018-19 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 held by the Parish Council.

### **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 2019 – 2020 will be properly made.

### **Year End statements**

It was noted in minute 5<sup>th</sup> June 2018 item 5.3 that the yearend balance sheet was reviewed and approved – this is good practice.

### **Unity Trust Bank**

It was noted that the Unity Trust Bank account is now fully operational.

### **Annual Governance Statement**

It was noted in minute 5<sup>th</sup> June 2018 item 5.1 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

### **Parish Council Agendas**

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

Given the difficulties regarding payments of invoices, when meetings are held bi-monthly, it would be in the Council's interest to add all payments previously made (before the meeting) and those to be made at the meeting to the agenda in order that all Councillors, the public, and press are aware of all payments from Parish Council funds.

### **Minutes of the Parish Council meetings**

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

In order that there is a proper record of all decisions made (especially financial decisions), it would be in the Councils interest if there was a proper recorded motion to pay all invoices in the minutes with a proposer/seconded if necessary and a carried motion.

### **Financial Regulations**

It was noted in minute of May 2018 meeting that the Parish Council reviewed, and adopted the Financial Regulations.

The Parish Council is reminded that these regulations are to be reviewed regularly

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 of May 2018 that the Parish Council reviewed, and adopted the Standing Orders.

The Parish Council is reminded that these orders are to be reviewed regularly

### **Insurance**

It was noted in minute 14<sup>th</sup> May item 12.9 that the Parish Council is still in a 3 year plan with Zurich as insurer.

### **Risk assessment**

It was noted in minute 5<sup>th</sup> June 2018 that the risk assessment document was reviewed and approved

The Council should also consider adding to this document the risk whether it can cope should the Clerk be suddenly unable to carry out her functions. Is the Council aware of the Clerks Locum scheme from WALC, or indeed whether a local Clerk from an adjacent authority would assist in the short term. Given that the Council has a relatively small income and there may be a financial strain should two incomes (existing Clerk and another Clerk) there is in some insurances "a key worker" insurance facility to offset the possible payment of two salaries.

### **Asset Register**

It was noted in the minute of 5<sup>th</sup> June 2018 that the asset register was reviewed checked and found to be up to date. It would be in the Councils interest to review those assets with a nil value to determine whether they should be on the register at all.

### **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 18/19 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 to the figures shown

### **Sec 137 payments**

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

The Clerk and Council 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 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. email addresses held within the website envelope.

**Internal Auditor**

It was noted in minute 5<sup>th</sup> June 2018 item 8 that the internal auditor for 2018-19 was approved.

**Internal Audit Review**

It was noted in minute 5<sup>th</sup> June 2018 that the last internal audit report was discussed by the Council including recommendations– this is good practice for a Council to study all reports.

**Conclusion**

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

It was also apparent that the Clerk/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 concludes the Internal Audit.

Signed.....  Dated... 24<sup>th</sup> July 2019