



INTERIM INTERNAL AUDIT REPORT

TO

**WELLESBOURNE & WALTON
PARISH COUNCIL**

FOR THE FINANCIAL YEAR

2019 - 2020

Prepared by: Bill Robinson

Issued June 2020

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Statement of Responsibility

The audit work I have undertaken was carried out based upon the Internal Audit Scope agreed with the Clerk and Responsible Financial Officer of Wellesbourne and Walton Parish Council

This report has been prepared solely for Wellesbourne and Walton 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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Wellesbourne and Walton Parish Council Internal Audit 2019 – 2020

Because of the Covid-19 restrictions this final Internal audit was carried out via an online meeting with the RFO on Wednesday 15th May 2020 to determine the year end figures and the bank reconciliation across all accounts, and at Wellesbourne and Walton Parish Council Office on the 17th June 2020 without council staff present.

Accurate book keeping

- Income and expenditure entries to the cashbook spreadsheet (SAGE) were checked and found to be up to date and correct.
- All payments and receipts were found to be correct and supported by documentation
- All payments were supported by the proper authorisation from the Parish Council
- Bank reconciliation – a reconciliation of all Parish Council accounts was this was checked and found to be correct to the individual bank statements.
- In addition an audit trail of the following cheques was carried out.

The year 30th September 2019 to 31st March 2020 audit trail was carried out on 17th June 2020

Current Account

Date	Cheque No.	Amount	Payee	Minute /Item
01/10/19	BACS	£131.50	M.Pratt	01/10/19 / 11.3
05/11/19	106864	£1221.60	T.Fox	05/11/19/ 11.5
05/11/19	106870	£219.00	Playsafety	05/11/1 / 11.5
03/12/19	D.Debit	£49.96	CNG	03/12/19/ 11.4
03/12/19	106878	£1474.80	AMW services	03/12/19/ 11.4
07/01/20	106887	£3300.00	Wellan	07/01/20/ 11.3
07/01/20	106896	£4702.00	T.Fox	07/01/20/ 11.3
04/02/20	D.Debit	£31.49	Positive Energy	04/02/20/ 11.2
04/02/20	106907	£8832.00	City of Bradford MDC	04/02/20/ 11.2
11/02/20	106914	£756.00	Vale Press Ltd.	11/02/20 / 7
03/03/20	106917	£1956.00	AMW Services	03/03/20/ 11.2
03/03/20	106922	£948.00	T.Fox	03/03/20/ 11.2

All cheques were found to be matched to the individual invoice and to the minute reference.

All cheque audit trails were satisfactory.

All income trails were satisfactory and the proceeds properly banked, and the Sage spreadsheet properly used

All Direct Debits were properly accounted for

All BACS payments were properly accounted for.

All void cheques were properly annotated and accounted for

It was noted that a monthly bank budget monitoring process was prepared and presented to the Parish Council, utilising a bank reconciliation process and running total on a spreadsheet with variation figures.

Accounts

It was noted that a trial balance on the current account to 31st March 2020 was produced, and this matched the account figures shown.

The monthly accounts from 1st April 2019 to 31st March 2020 for the financial year 2019 -2020 were checked across all accounts and found to be arithmetically correct and properly reconciled to the bank statements.

These include the following accounts:-

Barclays tracker account

National savings account (reconciled on an annual basis)

Active saver account (reconciled on an annual basis)

It was noted that the RFO produces a monthly detailed income and expenditure account for the Council, broken down into pie charts for ease of understanding, this is good practice and the Clerk/RFO are to be commended.

It was noted that all VAT payments to the 31st March 2020 have been properly reclaimed from HMRC

It was noted that all creditors balances have been accounted for.

Sage Financial Recording Package

There is no cashbook as all financial transactions are recorded on a Sage financial recording package, with all income properly banked in an expeditious manner.

Income Control

It was noted that there all receipts including the precept were paid directly to Wellesbourne & Walton Parish Council bank account, recorded on the Sage financial recording system and presented to the Parish Council for inspection on a monthly basis.

It was noted that a monthly finance management report from the RFO is presented to the Council for monitoring purposes – the RFO and Council are to be commended on the use of this financial management arrangement.

Budget Controls

All budget controls were checked and found to be satisfactory.

Bank reconciliations were checked and found to be satisfactory

Balances and reserves were checked and found to be satisfactory.

It was noted in the minutes of the Parish Council meeting on 7th May 2019 item 11.1 that the cheque signatories were formally approved, this is good practice by the Parish Council and is to be commended.

It was noted that as in previous years, each Parish Council committee provides its own budget for Council approval and incorporation into precept and budget discussions, the Parish Council is to be commended on this approach to budget discussions.

It was noted in the minute of the 08/10/19 item 10 meeting of the Community Facilities Committee that a budget for the financial year 2020-2021 was considered, agreed, and forwarded to the Finance Committee for consideration

It was noted in the minute of the 22/10/19 item 14 meeting of the Highways, Environmental, and Emergency Committee that a budget for the financial year 2020-2021 was considered, agreed, and forwarded to the Finance Committee for consideration

It was noted in the minute of the 19/11/19 item 9 meeting of the Highways, Environmental, and Emergency Committee that a budget for the financial year 2020-2021 was considered, agreed, and forwarded to the Finance Committee for consideration

It was noted in minute 07/01 20 item 11.5 that the draft budget for the financial year 2020-2021 as recommended by the Finance Committee was discussed and approved

It was noted in the minutes of the 03/03/20 item 11.4 that 2 new signatories were added to the bank mandate, it is good practice to formally review banking arrangements on a regular basis

Petty Cash

It was noted that Wellesbourne & Walton Parish Council does operate a petty cash scheme with all invoices held in a separate folder and properly recorded individually on the Sage financial system. It was also noted that the petty cash appears as a separate item for the Parish Council to check on the monthly Sage budget presented to the Council.

It was also noted that the RFO properly reconciles the petty cash to the bank statements, and this was seen on the trial balance to 31st March 2020.

It was noted that the Clerk keeps a running monthly total of all petty cash transactions, broken down into categories for ease of checking – this is good practice and the Clerk is to be commended

Financial Regulations

It was noted in the minute of the meeting of 7th May 2019 item 7.1 that the Financial Regulations were approved

It was noted in the minute of meeting 05/11/19 item 11.3 that the updated financial regulations were approved – it is good practice to review the regulations on a regular basis.

It was noted in the minute of meeting 05/11/19 item 11.8 that a sum of £1000 be set aside for a Community Local Fund should NALC agree that this is within the Council's powers – it is good practice to formally determine that all funding is on a lawful basis.

It was noted that the currently approved Financial Regulations are properly shown on the Parish Council website, this is good practice and in line with all Transparency Act requirements

Standing Orders

It was noted in the minute of the meeting held on 4th June 2019 that the Standing Orders were approved

It was noted that the currently approved Standing are properly shown on the Parish Council website, this is good practice and in line with all Transparency Act requirements

Asset Register

It was noted that Wellesbourne & Walton Parish Council Finance committee reviewed its assets and considered amendments, and the approved document agreed and minuted on 7th May 2019 item 21.5.

It is good practice to get into the habit of reviewing all assets on a regular basis

Minutes of the Parish Council meetings

All minutes were checked, and found to be satisfactory, with no evidence of any unusual activity.

It was noted that a schedule of Parish Council meetings for the year 2019-2020 has been posted, this is good practice.

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It was noted in minute of 01/10/19 item 11.6 that the External Audit was completed by PKF Littlejohn with no exceptions.

It was noted in minute of 21st May 2019 item 7.2 that the Annual Governance Statement was approved

It was noted in minute of 21st May 2019 item 7.4 that the Annual Accounting Statement was approved

Page 3 (Annual Internal Audit Report 2019-2020) was signed by the Internal Auditor.

Insurance

It was noted that Wellesbourne & Walton Parish Council has entered into a 3 year agreement with its insurer to obtain the financial benefits that a multi - year insurer can provide.

It was noted that the key personnel clause in the insurance cover was for the Clerk, RFO, Assistant Clerk/Groundsman, this is good practice as these key personnel are essential to the smooth running of the council,

Payroll

It was noted that all HMRC payments were properly made regarding Wellesbourne & Walton Parish Council staff income tax and NICS using a "Moneysoft" payroll package.

Risk assessment

It was noted in minute 6th August 2019 item 11.7 that the Risk Register policy was reviewed by Wellesbourne & Walton Parish Council and approved.

It was noted that all play areas are checked on a monthly basis and that all inspection records are held in the Parish Council office.

It was noted that the Clerk has produced a Fire Risk and Evacuation Policy which will be presented to the Parish Council for formal adoption together with weekly, monthly, and annual checklists. The Clerk is to be commended on this policy.

It was noted in minute 25/02/20 item 16.1 of the Community Facilities Committee (CFC) that an inspection of all Parish Council properties needs to be completed during April – it is good practice to inspect assets on a regular basis.

It was noted in minute 25/02/20 item 18.1 and 18.2 of the Community Facilities Committee (CFC) that the Dovehouse and Mountford play areas were inspected with the reports and remedial actions necessary noted.

Lone Working

It was noted the lone working policy of the Parish Council is still in force – good practice.

Sec.137 Payments

There has been no requirement for payments under this power during the first part of the financial year (see next paragraph)

General Power of Competence

It was noted that Wellesbourne & Walton Parish Council no longer holds this power.

Councillors Handbooks

It was noted that all Wellesbourne & Walton Parish Council policies were contained within the handbooks and are being amended to include all formal updates prior to being given to all Parish Councillors, this is good practice.

Quotes and Tenders

It was noted that all quotes for the financial year 2019-2020 thus far, are recorded and held in a separate file.

It was noted in minute 01/10/19 item 14.1 that tenders for the grounds maintenance, bus shelter cleaning and litter picking contracts were received – it is good practice to have multiple quotes.

It was noted in minute 08/10/19 item 15 of the Community Facilities Committee that tender applications and preferred contractors agreed, this recommendation will be put to the full Council meeting- it is good practice to formally consider all contract applicants.

It was noted in minute 22/10/19 Extraordinary Meeting of the Council that preferred contractors for the above quotes were approved.

It was noted in minute 05/11/19 item 14.2 that several responses for the post of lengthsman and handyman were received, with interviews to follow – this is good practice.

It was noted in minute 05/11/19 item 16.2 that a quote from the preferred printer was accepted were received, with interviews to follow – this is good practice.

It was noted in minute 19/11/19 item 7.1 of the Extraordinary Meeting of the Council that a new telephone and broadband contract was approved

It was noted in minute 03/12/19 item 13.7 that after interviews a new Lengthsman / Handyman was appointed – this is good practice.

Appraisals

It was noted that staff appraisals have been carried out – the process is good and the Clerk is supportive of the Council's appraisal procedures

Wellesbourne & Walton Parish Council Grant funding

It was noted in minute 2nd April 2019 that the Parish Council has formally approved grant funding for the 2019 – 2020 financial year.

It was further noted that all grant applicants are required to produce a set of audited accounts together with the grant application form. The application form itself has been seen and the Council is to be congratulated on a thorough document.

It was noted in minute 12/11/19 item 14 of the Finance Committee, that the committee reviewed all grant applications and agreed a draft total for grant funding – good practice as this puts a formal limit for this funding

It was noted that Wellesbourne Parish Council gives office space to the Citizens Advice service, and Chedhams Yard Trust and allows Wellesbourne Sports and Community Centre to use office space until March 2020.

It was noted on a letter dated 17th May 2019 that Wellesbourne and Walton parish Council made a grant to St.Peters Church – the Council needs to consider whether St.Peters is a Church of England building, and if so what its position is with regard to the Act of the 1894 forbidding Parish Councils from funding church of England buildings or land. The Council should consider NALC guidance note LO1-18. The Clerk confirmed that the grant was for the maintenance of the Parish Clock situated on the church tower and not for buildings or land.

Parish Council Structure

It was noted in the minute of 2nd April 2019 items 8.1, 9.1,9.2, that the Parish Council structure of its committees and working parties was reviewed and approved. The Parish Council is to be commended on a regular review of its committee structures.

It was further noted in minute 4th June 2019 that the Media, Appraisal, and Grants policy were approved

It was noted in minute 7th May items 7.4,5,&6 that the Complaints, FOI, and GDPR policies were approved

This is good practice and the Council is to be commended.

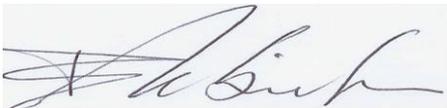
Conclusion

Whilst undertaking the Internal Audit, it is apparent that the Clerk and RFO are carrying out their responsibilities in an exemplary fashion to the standard required by Local Government Finance Regulations.

Where I have commented on future actions, these are not criticisms as such; rather they are only issues for Wellesbourne & Walton Parish Council to consider.

This internal auditor has noticed that once again Wellesbourne & Walton Parish Council has consistently over the last years continually improved its processes regarding Parish Council governance, and the whole of the Council is to be commended.

This concludes the Interim Internal Audit for the 2019 – 2020 financial year.

Signed.....  Dated 24th June 2020
W.J.Robinson