

LIGHTATOUCH

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14 November 2020

The Parish Clerk
Tisbury Parish Council,
The Reading Room
High Street
Tisbury
SP3 6LD

Dear Sandra

Interim Internal Audit Report

Tisbury Parish Council – April 2020 to September 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).

Payment approval has also been obtained and invoices are signed by the Clerk and Councillors have emailed their approval to confirm that invoices can be processed for payment.

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 from the records provided for review.

During this review we test checked the following:

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

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 RBS Alpha Software
- The Clerk/RFO 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
- All records were up to date and easy to follow
- The Insurance cover is appropriate for the size of the Council
- All income records are appropriate and recorded correctly
- Lease agreements are signed and appropriate for the use and hire of Parish Council facilities
- Payroll information is calculated correctly, showing appropriate deductions for PAYE, National Insurance and Pension Contributions
- Tendering processes are appropriate to the requirements recorded in Financial Regulations
- All expenditure items could be traced and are recorded correctly in the financial ledger
- The budgeting process is detailed and monitored throughout the year
- Bank reconciliations are carried out promptly each month and were accurate
- The Council takes an active scrutiny role
- VAT claims are made regularly.

Recommendations

- No formal recommendations have been made from this interim internal audit review.

Other matters to be brought to the Council's attention

- We are pleased to report that the Council has completed a Covid 19 risk assessment and measures have been put in place to ensure the Parish Office is Covid secure.
- We note that the financial risk assessment documentation approved in July 2020 should be updated on the Council website to incorporate Covid 19 requirements and ensure it is relevant for 2020/2021.
- It is noted that the Clerk is aware of the Council's general reserves 2020/2021 position which is lower than the recommended six months of expenditure.
- The Clerk has submitted a VAT reimbursement claim for the period April 2020 to June 2020 to HMRC but this has not been received and appears overdue. The Clerk will contact HMRC in due course if the payment is not received by the end of November 2020.
- The details recorded in Financial Regulations 4.1 state that the Clerk has delegated authority to agree expenditure without reference to the Parish Council up to £500. This should be amended in line with the scheme of delegation introduced April 2020 which now gives delegated authority up to £1000.
- It is suggested that the financial risk assessment should also show any potential risks that face the Council during the continuing pandemic when budget setting for 2021/2022.
- We are pleased to report that the Council have maintained its legal obligation to ensure that all Minutes of Meetings are signed or initialled where a wet signature is required to be completed on Minutes.
- The Council are currently in the process of updating its website to ensure the Council can remain compliant with the best practice requirements of the Transparency Code Regulations 2015 and the Website Accessibility Regulations 2018.
- The information supplied in the letter to Town and Parish Councils from the Chairman of JPAG (an email was sent to the Clerk prior to the audit visit) relating to the Website Accessibility Regulations 2018 will need to be considered to ensure that Parish Council can comply with the regulations. *(Audit Note: It is recommended that the Accessibility Statement records that scanned pdf documents do not comply with the Accessibility Regulations 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 appropriate to meet the needs of Tisbury Parish Council.

Next visit

The next internal audit visit has been arranged for **Wednesday 26 May 2021**.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Asset Register
- Budgets for 2020/21 and 2021/2022
- Transparency of website
- End of Year Procedures.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council.

Tim Light FMAAT

Internal auditor