

ANNUAL REPORT/ REMIT OF INTERNAL AUDITOR (2020)

ALSTON MOOR PARISH COUNCIL

REPORT/REMIT OF THE INTERNAL AUDITOR FOR THE

YEAR ENDING 31 MARCH 2020

Internal Auditor: ...Ian Pennell.....

Date of Audit:May 2020.....

Checks Undertake

Activity	Checked	Comment/Report to Council
Will the Council formally approve the end of year accounts at the Annual Meeting? Agenda Item checked.	No	AGM and Agenda for the AGM postponed due Covid-19 regulations.
Do those accounts accord with the information given in Section 1 of the Annual Return?	Yes	The Income Totals agree with those in the Accounts. There is a £10 discrepancy with the total for "Other Expenditure". This was caused by the receipt of a cheque not cashing it- and the Clerk amended the "Other Expenditure" box on the Annual Return to reflect this fact on the advice of the external Auditor.
Will the Council give members of the public the opportunity to inspect and raise questions on the accounts? Evidence of notice to be provided?	No	Accounts and external Audit for 2019-2020 yet to be finalised. This will not happen until October 2020.
Has Council responded positively to issues that were raised in the previous internal audit report?	Yes	The Council has responded positively to matters brought to it. For instance, a small irregularity in the Parish Clerk's wage-slips reported in the half-year Audit has now been rectified.
Has Council been advised of the need to approve the Annual Return by the specified date	Yes	30th June 2020 on the Annual Return form.
Are significant variances in the Annual Return (section 1) figures explained?	Yes	Mentioned in the Accounts. Variations in Other Receipts and Staff Costs noted as significant. Cause partly a result in changes to one-off grants received, change in how VAT claimed is recorded and the Community Warden being put on the Council's Payroll.
Has an Asset register been submitted, up to date and concurring with Annual Report (section 1, box 9)?	Yes	The total corresponds to the Total in the document listing AMPC assets and their total value.
Have financial and other risk assessments been undertaken? Date and minute number checked?	Yes	Updated 2019-2020 Risk Register detailing all the risks facing the Council, Staff, Contractors and the Public regarding all operations and responsibilities under its remit. Separate Risk Register for Council Assets for 2019-2020. Both very comprehensive.

Has Council undertaken a review of its insurance cover including taking cognisance of advice from its insurers? Date and minute number checked.	Yes	<p>Currently with Zurich Insurance- also covers Alston Town Hall and it is fairly comprehensive. Note that the Insurance for AMPC per-se is just £521.49.</p> <p>Insurance per-se has not been reviewed by Council in last 12 months the closest being the Risk Assessment review accepted 4th March 2019 Meeting- Item 8. Consequently, the updated 2019-2020 Risk Register covers Insurance-related risks and deems them to be low.</p>
Is there evidence that Council considers what legal powers it is using when contemplating undertaking activities? Date and minute number checked.	Yes	<p>19th March 2020 Meeting. Item 3 on the Agenda with regards to setting up a local Emergency Response Group to help local residents and deliver food to vulnerable people during the Covid-19 restrictions.</p> <p>The Clerk confirms that the Council has financial reserves, has Powers of Competence and therefore does not need to fall back on S137 funding.</p>
Has Council adopted financial regulations and a standing order to manage contracts for goods and services?	Yes	Updated Financial Regulations November 2019. Adopted by Council that month.
Is there a Council Minute recording the precept decision? Date and Minute number checked?	Yes	Precept Meeting 13th January 2020. End of Section one agreement to set the Precept for 2020-21 at £50,240.
Does the precept requirement result from an adequate budget?	Yes	The Budgets for all categories of Council Spending for 2020-21 were discussed and voted on at the Council Precept Meeting. See Section 1 of AMPC Precept Minutes 13th Jan. 2020.
Activity	Checked	Comment/Report to Council
Was progress against budget regularly monitored? Were the reserves adequate?	Yes	Finances checked regularly during the year. Reserves more than sufficient to cover contingencies.
Are receipts and payments properly recorded and linked to approvals? Spot checks carried out?	Yes	All receipts and payments are properly itemised and recorded. All out-goings are checked regularly and anything unusual queried.

Has a separate record of VAT been kept in the accounts?	Yes	All transactions involving VAT itemised, with VAT amount recorded.
Has a separate record for Section 137 payments been maintained?	Yes	Section 137 expenditure is itemised in the Accounts.
Are bank reconciliations provided regularly and definitely to 31 March?	Yes	Bank reconciliations carried out monthly and signed by Tim Haldon. Chris Harrison (Finance Scrutiny Group) has not signed these monthly Bank Reconciliations since end of October 2019. Good to maintain the two signatures.
Have petty cash transactions been recorded and reconciled?	Not Applicable	Cash is not stored in the Parish Council office. Any income receipts are banked promptly.
Are all payments approved by Council and recorded in minutes?	Yes	Payments to be made approved and signed off. This is recorded in the Minutes of all monthly Meetings.
Have salaries to employees & allowances to members been paid in accordance with approvals?	Yes	A very competent Accountant has done the Payroll for the Parish Council for years.
Have tax and National Insurance requirements been properly applied?		The Parish Clerk is paid in accordance with her appropriate pay-grade and she has a full up-dated employment contract.
Have pension contributions been properly calculated and collected?	Yes	The Clerk's Pension is dealt with by the same competent Accountant who has calculated her wages for many years.
Have you been provided with access to all documents requested?	Yes	The Parish Clerk has provided the necessary documentation that I have requested to complete my Audit.
Were you supplied with contact details for the Clerk and Chairman – if requested?	Yes	Contact details for the Clerk are on the Parish Council website. The Chairman has an email address on the Parish Council website.
Were terms of appointment as Internal Auditor made clear on appointment?	Yes	It was made clear to me when I started doing the Audit that my remit was mainly concerned with financial matters relating to the Council:- the Accounts, Budgeting, Security of Public funds, and the safeguards protecting Public funds .
Were adequate explanations provided for any query or request for extra information?	Yes	Yes. I have never been refused any request for information in order to undertake necessary checks.
Did you liaise with the Clerk/RFO before your visit?	Yes	The Clerk and I exchanged three or four e-mails to discuss how to obtain the information that I required -in view of the

		<p>Covid 19 restrictions in place this year. The Parish Clerk this year brought the hard-copy information to my home this year- and has sent as much of the other information electronically.</p>
<p>Were areas and activities for checking agreed before your visit?</p>	<p>Yes</p>	<p>I am aware of the remit for my checks and this was made clear to me by the Clerk (in person and through supporting documentation- i.e. checklists like this one) this year and previous years.</p> <p>To re-iterate I have (through agreement) not visited the Council Office this year because of Covid 19 restrictions in-place.</p>
<p>Were you informed of any legislative changes which might affect your audit inspection?</p>	<p>Yes</p>	<p>The up-dated Financial Regulations Policy (Nov 2019) adopted by the Council-Section 2 covers Auditing.</p> <p>A document produced by CIPFA in 2017 is comprehensive (and still current) regarding legislation around Internal Auditing: https://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards</p> <p>National Audit Office: New Code of Audit Practice which came into force on 1st April 2020 approved by AMPC in April 2019 (Item 11.A in Minutes of that meeting).</p> <p>This is the most up-to-date Internal Audit Code focussed more on Risk Management. Although aimed at Companies it is certainly relevant to local Authorities too : https://www.accountancydaily.co/revised-internal-audit-code-focuses-risk-management</p>

I confirm that in acting as Internal Auditor to Alston Moor Parish Council, I am wholly independent of the Council. I have carried out the above checks and been satisfied of the Council's position prior to completion of the Annual Return of Alston Moor Parish Council.

Signed: IAPemell

Dated: 12th May 2020.....