

# ALSTON MOOR PARISH COUNCIL

## REPORT/REMIT OF THE INTERNAL AUDITOR FOR THE YEAR TO NOVEMBER 2020

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

**Date of Audit:** .....20<sup>th</sup> November 2020.....

### Checks Undertaken:

Activity	Checked	Comment/Report to Council
Is there a Council Minute recording the precept decision? Date and Minute number checked?	Yes	Annual Precept Meeting for 2020-21 dated 13 <sup>th</sup> Jan 2020. Minutes of Meeting- Bottom of page 2. Annual Precept for 2021-22 has not been undertaken yet. The Precept Meeting for the 2021-22 budget is scheduled for Monday 11 <sup>th</sup> January 2021.
Does the precept requirement result from an adequate budget?	Yes	Breakdown for Precept shown on Page 3 of Minutes of the 13 <sup>th</sup> Jan. 2020 Precept Meeting. All the items for expenditure were rigorously costed at the Precept Meeting.
Was progress against budget regularly monitored? Were the reserves adequate?	Yes	Finances are regularly checked throughout the year. A Financial Statement was made available to Councillors to check on 5 <sup>th</sup> October 2020, whereby they could see how the different categories of expenditure compare with budgeted expenditure.  Reserves have been more than sufficient to cover different areas of expenditure so far this year- and in recent years.
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 is queried.
Has a separate record of VAT been kept in the accounts?	Yes	VAT components of expenditure are recorded in the Accounts, complete with a record of total VAT paid- and total VAT reclaimed from HMRC. VAT Returns for AMPC are submitted every three months by the Accountant.
Has a separate record for Section 137 payments been maintained?	Yes	A column in the Accounts records Section 137 payments complete with the total below.
Are bank reconciliations provided regularly?	Yes	These are completed at the end of each month and signed by Tim Haldon (until he left AMPC in October 2020), then Chris Harrison (Finance Scrutiny Group).
Have petty cash transactions been recorded and reconciled?	Not Applicable	The Parish Council does not keep Cash on the Town Hall premises and it has a Policy of not making payments in Cash.  Any receipts received by AMPC are promptly recorded and banked.
Are all payments approved by Council and recorded in minutes?	Yes	Monthly, at the end of each Council Meeting. This is recorded in the Minutes. Note absence of signatures showing approval of Accounts for payment for June, July and

		August, even though payments made were approved in Minutes of Meetings. Covid 19 restrictions
Have salaries to employees & allowances to members been paid in accordance with approvals?	Yes	The Parish Clerk is paid in accordance with her appropriate pay-grade (NALC April 2020 guidelines) and she has a recently up-dated employment contract.
Have tax and National Insurance requirements been properly applied?	Yes	Payroll for the Staff employed by AMPC continues to be undertaken by a very competent local Accountant who has done the Accounts for AMPC for many years.
Have pension contributions been properly calculated and collected?	Yes	See note about Payroll (above).
Have you been provided with access to all documents requested?	Yes	The Parish Clerk has always made available to me documents that I need to check. However, this year, there have been some changes to how I have collected and returned paper documentation due to Covid-19 restrictions.
Were adequate explanations provided for any query or request for extra information?	Yes	I have never been refused any request for information in order to undertake necessary checks.
Have you evidence that Council members carry out quarterly financial checks?	Yes	Bank Reconciliations signed off every month, Bank Statements and Financial Statements checked and signed monthly.
Were areas and activities for checking agreed before your visit?	Yes	This has always been made clear to me-complete with being sent Checklists like this one. Visiting the AMPC office was not possible this year as a consequence of Covid 19 restrictions.
Were you informed of any legislative changes which might affect your audit inspection?	Yes	The up-dated Financial Regulations Policy (Nov 2019) adopted by the Council-Section 2 covers Auditing.  National Audit Office: New Code of Audit Practice which came into force on 1 <sup>st</sup> April 2020 approved by AMPC in April 2019 (Item 11.A in Minutes of that meeting). 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 : <a href="https://www.accountancydaily.co/revised-internal-audit-code-focuses-risk-management">https://www.accountancydaily.co/revised-internal-audit-code-focuses-risk-management</a>
Has Council responded positively to issues that were raised in the previous internal audit report?	Yes	Matters that I have raised in previous reports-like missing links on the AMPC Website and errors/ duplications in the Accounts- have been addressed. On most occasions, the Parish Clerk has been able to correct the issues highlighted.
Have financial and other risk assessments been undertaken? Date and minute number checked?	Yes	Updated 2019-2020 Risk Register covering risks faced by Council Members, Staff, Contractors, and the Public under AMPC's remit. Separate Risk Register for Council Assets 2019-2020. Both very comprehensive.  Further updates to the Risk Assessment Policies were being considered in March 2020, then Covid-19 restrictions hit. This was discussed In the July 2020 meeting (Item 11B in Minutes, 6 <sup>th</sup> July 2020). Risk Assessment

		action list put together (Item 11C, Minutes of 6 <sup>th</sup> August 2020 Meeting).
Has Council undertaken a review of its insurance cover including taking cognisance of advice from its insurers? Date and minute number checked.	Yes	Currently with Zurich Insurance- also covers Alston Town Hall and it is fairly comprehensive. Note that the Insurance for AMPC per-se is just £486.49. Insurance was last updated at the Risk Assessment review accepted 4 <sup>th</sup> March 2019 Meeting- Item 8 (some 20 months ago). The most recent (2019-2020) Risk Register covers Insurance-related risks and deems them to be low.
Is there evidence that Council considers what legal powers it is using when contemplating undertaking activities? Date and minute number checked.	Yes	Proposal to use the Draft Scheme of Delegation (prepared by Councillor Tim Haldon) applicable to the the Clerk and Committees on AMPC. Item 12A, Minutes of 7 <sup>th</sup> September 2020 Meeting. This Policy covers the delegation of the legal powers that AMPC has regarding the exercise of its operations. <b>This was later accepted by AMPC (12D, Minutes of 5<sup>th</sup> October Meeting)</b>  The matter of AMPC having Powers of Competence was brought up earlier in 2020 by the Parish Clerk at the 19 <sup>th</sup> March 2020 Meeting (Item 3 on the Agenda) with regards to setting up a local Emergency Response Group (now AMERG).  The legislation regarding Scheme of Delegation can be found in the Local Government Act (1972) under Section 101 of that law.
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.

**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.**

Signed: ..... *IAP*  
*Remell*

Dated: ...20<sup>th</sup> November 2020.....