

HALF-YEAR REPORT BY THE INTERNAL AUDITOR – ALSTON MOOR PARISH COUNCIL COVERING THE PERIOD 1ST APRIL 2021 TO 31ST OCTOBER 2021.

I confirm that I have on 23rd November 2021, undertaken an Internal Audit for the period 1st April 2021 - 31st October 2021 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the Audit Plan approved by Council and incorporating any new requirements as outlined in "Joint Panel on Accountability and Governance", Practitioners' Guide (NALC) March 2021.

Comprehensive documents and working papers were provided to me via e-mail and in a bag by the Clerk, who was also available to assist with further information as required. Reference was also made to the Alston Moor Parish Council website to confirm compliance with other statutory obligations. In my Audit make the following points:

1. Proper Bookkeeping

The accounts are clear and, with the exception of the duplication of two items of expenditure from 2020-2021 in the accounts, accurate. The accounts are maintained using maintained using Excel. The accounting records are backed up securely and remotely.

2. Standing Orders/Financial Regulations/Policy Documents

All statutory regulations and policy documents have been reviewed in the Current Financial Year and include all new legislation. The Parish Council uses a model Standing Order policy.

3. Invoice procedure/ Audit Trail

A random check was made of invoices paid in the period. All comply with Financial Regulations and adhere to the principle of Best Value. There is a clear audit trail enabling verification of the accuracy of all documents produced by the Clerk.

4. VAT

The most recent vat Returns (covering 1st December 2020 to 31st July 2021) claimed VAT of £810.67. Some £12.21 of VAT was not claimable because of the effects of Brexit on two suppliers who had not got UK VAT Registration numbers in time. This was no fault of the Parish Council.

5. Bank Reconciliation

The Cash accounts are reconciled to the Bank-statements monthly and they accurately state the Financial Position of the Council. A Member validates the reconciliations with a signature on the Bank-statements each month.

6. Payroll Controls

The Payroll continues to be administered- externally- by a very competent accountant with many years' standing. The Clerk's net pay, PAYE and pension transactions are then recorded accurately in the Accounts.

7. Risk Management/ Assets Risk Assessment

The Risk Assessment documents were reviewed and updated in February 2021; these are fairly comprehensive. It was accepted by the Council on 1st March 2021 (12.a). A new Assets Risk Assessment Policy was also ratified by the Council (12.b in Minutes of 1st March 2021 Meeting).

8. Internal Financial Controls

The Financial Management system remains robust and fulfils all reporting requirements. Council expenditure is incurred and charged to the main bank account, via Cheque, Debit Card or Direct Debit. All items of expenditure are cleared with the Council at each monthly meeting and, only then, payments are made and recorded under the appropriate allocation in the Accounts. Each cheque requires two Council Member signatures before being dispensed.

The Tendering process, which form part of the Internal Financial Controls, is robust although twice so far in 2021-22 there were tenders from only two contractors, not three (as stipulated by Financial Regulations Section 11.1.(h)). The Clerk informs me that this is not always possible, although the Council does try to ensure there are the three quotes for work that needs doing.

9. Register of Interest

Copies of all documentation are retained on file and members fulfil their obligation to advise and declare these as appropriate. Unfortunately, some of the links to this information on the Parish Council Website still do not work following the Council website collapse- with a loss of links and web-pages- in August 2020.

10. Employment Contracts and Pay

The Parish Clerk is paid according to her Pay-grade (as per NALC guidelines). Her Employment Contract has not been up-dated since 2019. However, Employment Contracts were discussed at the Development, Governance and Personnel Committee Meeting on 16th August 2021 (Item 5 in Minutes) with a comment that dealing with this was "Ongoing". The Parish Clerk informs me that her Contract is being reviewed

11. Insurance

The Insurance cover with Zurich Municipal of £3,133.49 for the year, also covering the Town Hall (the Council's specific contribution being £551.97) is very comprehensive, covering loss through theft, fire, storm damage and also Employers' Liability is comprehensive and- for the Council- good value for money.

12. Precept/ Budgetary Control

The Precept for 2021-22 was discussed and agreed by the Council at the Precept Meeting on 11th January 2021. The budget is monitored monthly, expenditure is checked against the Precept on a regular basis by the Council. This enables any cost-overruns to be dealt with quickly.

13. Cash Balances at the Bank

The balances in the bank-accounts as of 31st October 2021, which total £116,385.01, are considered adequate to enable the Council to meet budgeted expenditure and to retain sufficient cash reserves for all contingencies. Some of the reserves are clearly earmarked for specific projects.

14. Income Controls

All income is promptly banked upon receipt. No cash is accepted or kept on Council premises.

15. General Power of Competence.

Confirmation of eligibility to use General Power of Confidence was last given at the Council Meeting of 19th March 2020. I am informed that by the Clerk that the Parish Council retains General Power of Competence.

16. Asset Register

The Asset Register is updated to 31 March 2021. The value of Assets totalling £10,158 was recorded in the Annual Governance and Accountability Return (AGAR) covering the Year ended 31 March 2021, which was correct for the AGAR. However, the Assets Register has not yet updated to include a new Alston Noticeboard valued at £793.43 (net of VAT), paid on 6th Sept 2021, the Memorial Seat paid for on 28th June 2021 for £248.00 (no VAT) and another Memorial Seat for £1,150 (net of VAT) for which the Council was Invoiced on 27th October 2021.

17. Transparency Legislation/ Website

The Parish Council Website ensures the objectives of the Transparency Code are achieved. It fully informs the Public of the prudent spend of public monies, by the publishing of all required data. Unfortunately, there are some broken links on the Website and- following a Website crash in August 2020 not all the website links that were lost (and the information on those links)- have yet been fully recovered.

18. Annual Governance and Accountability Return (AGAR) 2020-2021

This was completed, correct, and approved by AMPC on 28th June 2021 (Item 7.b, Minutes of 28th June 2021 Meeting). However, I also note that in the Minutes of the meeting it refers to approving the Annual Governance Statement for 2021-2022 and the Annual Accounting Statement for 2021-2022 being accepted, not those 2020-2021. This was a typing error caused by whoever wrote up the Minutes.

19. Notice of Public Rights

The Parish Council complied with all requirements with regard to the Local Audit and Accountability Act (2014) Sections 26 and 27 and The Accounts and Audit Regulations (2015) (SI 2015/234). The Parish Clerk has always provided me with any information that I have required in doing my work.

20. Alston Moor Parish Council: Trustee Obligations.

The Parish Council fulfils its legal obligations as a Trustee of Alston Town Hall (Charity No. 222767), Members of the Council also fulfill their obligations as Trustees of Fairfield Estates Charity (Charity No. 215649). For both Charities, Accounts and Annual Returns are up-to-date on the Charity Commission Website.

Conclusions

I can confirm that Alston Moor Parish Council is fully compliant with all Account and Audit Regulations, Transparency legislation and other legal requirements. The Parish Council has a robust system of accurately recording, checking, and dispensing Public funds. Where matters have been raised in my Reports, these have usually been dealt with quickly by the Clerk (RFO): Any discrepancies that I have uncovered in the Accounts have been dealt with by the Clerk, or a satisfactory reason for the discrepancies has been provided. Aside from these matters (of which there are just a few), I have found the accounts to be accurate and a true reflection of the Financial Position of the Parish Council.

In concluding the Annual Internal Audit for seven-month period to 31st October 2021 I thank the Parish Clerk (who is the RFO) for providing meticulous records, and for going out of her way to provide all the other information, as required, for me to complete my Audit. In keeping with national guidelines at a time of continuing Pandemic, the collection, transfer of information and communications with the Parish Clerk have been done in a Covid-19 secure manner.



Ian Pennell

Internal Auditor 23rd November 2021