

Little Waldingfield Parish Council

Internal Audit Report 2018/19 - Implementation of Recommendations

There were eight recommendations and four comments included in the Council's internal audit report for 2018/19, dated 11 April 2019, prepared by Suffolk Association of Local Councils. The following steps were taken by the Council arising from these recommendations and comments which encouraged further action:

(REC01) That powers are recorded in the minutes or cashbook so that the council can consider the legality of payments and agree that they have only acted within powers for the Annual Governance Statement. The Council's donation to the Poppy Appeal and purchase of a wreath will come under Section 137 and should be minuted as being paid under this capped power.

The assertion made in the report was that no evidence was seen of the legal powers to pay being noted. Like previous years, the statutory powers for each payment made during the year was recorded against each transaction on the payments and budget reports which had been provided. It is therefore believed that no further action is necessary. The Council's donation to the Poppy Appeal in 2019/20, approved at the Council's meeting in September 2019, was attributed to Section 137 Payments and recorded as such in the minutes of the meeting. This recommendation was therefore implemented at the Council's meeting in September 2019.

This recommendation was implemented at the Council's meeting in September 2019.

(REC02) The Council should minute that they have reviewed their insurance policy against their asset register to ensure it is adequate and note that this has been carried out in the minutes.

Following a review by Members of the risks included in the insurance policy compared against the asset register, Members approved the insurance cover arrangements with a three-year term from 1 October 2019 which was recorded in the minutes of the meeting. This recommendation was therefore implemented at the Council's meeting in September 2019.

This recommendation was implemented at the Council's meeting in September 2019.

(REC03) Council should include in their minutes that they have reviewed the effectiveness of the internal audit during the year of audit. Statutory guidance from Accounts and Audit Regulations 2015 regulation 5.

The Parish Clerk/RFO will investigate an example of similar work carried out by another parish council for adaptation and update Members at the Council's meeting in November 2019. The appointment of a Member to lead on the undertaking of the review of the effectiveness of the Council's system of internal control will also be considered at the meeting in November 2019. The Parish Clerk/RFO recommends that the lead undertakes a review of the financial records during the final quarter of 2019/20 with the resulting findings presented to Members at the Council's meeting in March 2020. All these matters will be recorded in the minutes of the meetings.

A review of the effectiveness of internal audit was carried out by a lead councillor in February 2020 with plans for the Council to undertake a review of its findings at its meeting in March 2020. This item has been included as an item on the agenda of the meeting which will be recorded in the minutes. This recommendation will therefore have been implemented at the Council's meeting in March 2020.

(REC04) Details of all credits received are included in the minutes.

It is believed that the omissions relate to the nominal monthly interest paid to the Council's second bank account. The Parish Clerk/RFO will therefore confirm all previously unreported credits in 2019/20

to Members at the Council's meeting in November 2019 and continue the approach following the receipt of future credits which will be recorded in the minutes.

The Parish Clerk/RFO confirmed all previously unreported credits in 2019/20 to Members at the Council's meeting in November 2019 and updated Members of any additional credits during the year. All updates were included in the minutes of the meetings. This recommendation was therefore implemented at the Council's meeting in November 2019.

(REC05) It is assumed that items insured by the Council are owned by them and they should therefore be included on the asset register.

The assertion made in the report was that the item identified as *BT Box* on the insurance documentation was not included on the Council's asset register. A review of the asset register identified the inclusion of the item which had been recorded as *Telephone Box*. It is therefore believed that no further action is necessary.

It is believed that no further action is necessary.

(REC06) It is good practise to minute the funds in each account to provide evidence that Councillors are aware of the balances.

The Parish Clerk/RFO introduced confirmation of the bank balances to the agenda of the Council's main meetings in July 2019. This recommendation was therefore implemented at the Council's meeting in July 2019.

This recommendation was implemented at the Council's meeting in July 2019.

(REC07) The following information on the AGAR Accounting Statement is incorrect: Staff costs in box 4 include mileage, this should be deducted from the figure. The figure in box 9 for total fixed assets carried forward from 31/3/2018 is incorrect and should be changed to £2937. If the BT box (included on the insurance) is the property of the Council, this should be included in the asset register.

Following a similar approach in previous years, the Parish Clerk/RFO takes the view that the exclusion of mileage costs is not appropriate and acknowledges the recommendation. However, a second opinion was sought from PKF Littlejohn LLP, in charge of the review of AGARs, who confirmed that the approach taken by the Council was correct. It is therefore believed that no further action is necessary. It is agreed that the amount for assets at the close of 2017/18 was £2,937. However, the asset register explained in its Restated column that the amount had then been restated following the omission of a computer bought in January 2018. The Parish Clerk/RFO is therefore of the view that the restated amount of £3,243 was correctly recorded in Box 9 of the Accounting Statements. It is therefore believed that no further action is necessary. It has already been confirmed that the *BT Box* on the insurance documentation is the *Telephone Box* on the asset register. It is therefore believed that no further action is necessary.

It is believed that no further action is necessary.

(REC08) Council should publish the following items on their website: Audit/Impact Assessment; Procedures for dealing with Subject Access Requests; Procedure for dealing with Data Breaches; and Data retention and disposal policies.

The Parish Clerk/RFO agreed to obtain examples of the GDPR documentation identified and previously used by another parish council. An update on the progress made on their adaptation would then be provided by the GDPR lead at the Council's meeting in November 2019.

Members have discussed the progression of this matter during the course of the year which has been included in the minutes of the Council's meetings. This item has been included as an item on the agenda

of the meeting in March 2020 at which time further progress will be made when the lead councillor's recommendations will be discussed. This recommendation will therefore have been partly implemented at the Council's meeting in March 2020.

(COM01) Council should be mindful that all authorities must minute the annual appointment of an officer to be responsible for the financial administration of the authority in accordance with Section 151 of the Local Government Act 1972.

The matter of the formal appointment of the Parish Clerk as the Responsible Financial Officer will be included on the agenda of the Council's meeting in November 2019.

The Parish Clerk's appointment as the Responsible Financial Officer was included in the minutes of the Council's meeting in November 2019. This comment was therefore addressed in November 2019.

(COM02) It is good practise to minute that risk assessments are being carried out more frequently than on an annual basis.

Members will be requested to consider the merits of an increased frequency of risk assessments when the planned annual risk assessment is included on the agenda of the Council's meeting in November 2019.

The Council plans to review its general risk assessment carried out for the year at its meeting in March 2020. In addition, it commenced its risk assessment for the annual litter pick at its meeting in January 2020 and plans to finalise this assessment at its meeting in March 2020. This comment will therefore have been addressed at the Council's meeting in March 2020.

(COM03) Fidelity Insurance was increased to £25,500 during the year. Council may wish to increase again to cover the recommended guidelines of year end balances for 18/19 plus 50% of precept = £29,636.

Following a review of the insurance policy at the Council's meeting in September 2019, Members approved the fidelity cover of £50,000 and the overall insurance cover arrangements from 1 October 2019. This matter was therefore addressed at the Council's meeting in September 2019.

This matter was addressed at the Council's meeting in September 2019.

(COM04) Although the total is the same, the breakdown of reserves is different on the report to the auditor and the statement of accounts for year ending 31/3/2019.

A review of the documentation provided has identified that reserves summarised on the Council's statement of accounts reflected the true position which was then approved by Members at the Council's meeting in June 2019. However, it was noted that an out of date breakdown of the reserves had been included on the Explanation of Variances. This documented was subsequently amended and then approved by Members at the Council's same meeting in June 2019. This matter was therefore addressed at the Council's meeting in June 2019.

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