

INTERNAL AUDIT REPORT 2023-2024

Ruth Thomas - Dip.inst LAM

Local Council Audit Services Internal Audit
Report
To the Members of

Ponsanooth Parish Council

Year Ending 31st March 2024

Final issue date: 10/06/24
Issued To: Ponsanooth Parish Clerk

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

An interim audit has not been undertaken and this report covers the activities of the Parish Council during the year.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable I have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' updated 2022.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. No face-to-face meetings were held with inspection of digital documents and inspection of the Parish Website used to reference findings.

GENERAL COMMENTS:

I would like to thank the Parish Clerk for her time and co-operation with this inspection.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In giving my internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

Not all matters have been assessed and future IA's will test those omitted in 2022/23.

AUDIT COMMENTARY:

Items in **bold text** within the body of the report represent my findings in respect of the application of controls, text in *italics* represent suggested actions that fall short of being formal recommendation or do not necessarily pertain to the application of internal controls.

Previous Recommendations

The items below are outstanding from my previous I report and

2023/24

Accounting Records

The Accounting Records are kept in Excel spreadsheet format and are maintained by Town Clerk/RFO. *Testing showed there to be a few errors - Clerk to check and agree*

Requiring
Action

x

Financial Regulations

Financial Regulations were reviewed 12th June 23

Payments

A sample payment was tested to establish where the spending decision, procurement process, certification and approve al for payment were in line with Financial Regulations.

Authority to spend:

It is noted that that Financial Regulations include a small scheme of delegation whereby the Clerk can authorise emergency expenditure up to £500.

Procurement:

The Council received grant income from Cornwall Council under CLUP, with funding used to deliver on and infrastrure project utilising external contractors. Testing showed this to be correctly processed

Payments:

Payments were not tested. It is noted the recording of the transactions within the Council's accounts and the reconciliations of the bank statements are now checked by members and signed.

Grants:

Not checked

VAT:

VAT has been recorded correctly and returns submitted.

Risk

Risk Assessment:

The Risk Register and Risk Managment Policy were reviewed in the year 20/24

Insurance:

The Council has a municipal policy and statutory insurances are in place and Fidelity Guarantee is adequate at £250,000. The Asset Register has been updated. A reconciliation between the Asset Register and the Insurance Schedule should be undertaken to ensure that all assets are insured at replacement value

X

Community Assets :
Not checked

Budget

Setting:

The Council has set a budget for 2023/4 and submitted a precept request to the Billing Authority. 206/23

Monitoring:

Regular financial reporting forms part of the Council agenda. The budget is monitored and details of payments made presented.

Income

Income has been received and recorded correctly

Precept:

The precept payment received is in accord with that requested from the Billing Authority.

VAT:

VAT has been recorded and Vat return submitted

Grants:

Grants towards services have been received and recorded. *It is noted that the Grant policy was reviewed in February 2023*

Payroll

2023/24 Pay Scales:

Payment of salary has been made in accordance with the rate applicable

Officers:

The Council employs one officer and checks identified that payroll is being recorded accurately and statutory supporting deductions and pension payments properly recorded and paid. *It was noted that for a defined period additional hours were authorised to help manage the impementation of the CLUP grant award*

Bank Reconciliations

Bank Reconciliations are regularly undertaken and are reviewed by Members as part of the internal audit checking.

Electors Rights

The NOTICE OF PUBLIC RIGHTS has been properly published and the Council has published the conclusion of audit as required.

X

Comments on other matters

The Council has met its requirements in complying with both the General Data Protection Regulations (GDPR) with a publish Privacy Policy and also with recommended practices on Accessibilty. The clerk is identified as the GDPR officer.

The Information Commissioners Office sets out guidance relating to the publication of documents. This states that any papers mentioned within the Agenda form part of the Agenda and should be published. *The council should consider if it is meeting its publication requirements. For guidance please go to <https://ico.org.uk/media/for-organisations/documents/1156/minutesandagendas.pdf>*

The Council's INTERNAL AUDIT RESPONSE RECORD - Ponsanooth Parish Council

No	Recommendation	Management Response	Timescale/ Responsibility	Follow Up (for auditor use)
FINAL REPORT - 2023/24				
1	The Accounting Records are kept in Excel spreadsheet format and are maintained by Town Clerk/RFO. Testing showed there to be a few errors - Clerk to check and agree			
2	The Council has a municipal policy and statutory insurances are in place and Fidelity Guarantee is adequate at £250,000. The Asset Register has been updated. A reconciliation between the Asset Register and the Insurance Schedule should be undertaken to ensure that all assets are insured at replacement value			
FINAL REPORT - 2022/23				
1	Standing Orders show a review date of January 2021. This should be undertaken during the 2021-22 year if it has not already been done (Note website copy shows policy review date of October 2022		CLERK	
2	Financial Regulations were reviewed June 22 - 162/22 - These regulations should identify which option of 6.21 is adopted		CLERK	COMPLETED - 12th June 2023 -
3	The Information Commissioners Office sets out guidance relating to the publication of documents. This states that any papers mentioned within the Agenda form part of the Agenda and should be published. The council should consider if it is meeting its publication requirements. For guidance please go to https://ico.org.uk/media/for-		CLERK	

4 **The Council has a municipal policy and statutory insurances are in place and Fidelity Guarantee is adequate at £250,000. The Asset Register has been updated. A reconciliation between the Asset Register and the Insurance Schedule should be undertaken to ensure that all assets are insured at replacement value**

	CLERK	124/23 - resolved to undertake date for completion awaited
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