

# Audit Report

## Siston Parish Council In Year Assurance 2020/21

**Audit Plan Year:** Oct - Dec 2020

**Audit Status:** Audit Completed

**Audit Review Date** 17<sup>th</sup> & 22<sup>nd</sup> December 2020

### Report Distribution:

Alison Adams – Clerk - [sistonpc@gmail.com](mailto:sistonpc@gmail.com)

Andrew Stacey – Chair - [andrew.r.stacey@btinternet.com](mailto:andrew.r.stacey@btinternet.com)

Due to the current COVID 19 pandemic and in line with Government and Council guidelines on reducing all non-essential travel, internal audit services have conducted audits remotely. Our aim has been to continue to deliver our audit service whilst maintaining the safety of staff and clients. In line with this, we have not undertaken any site visits. The Clerk has supplied all relevant documentation as evidence electronically via email.

**Objective**

The objective of the audit was to provide an independent opinion on the appropriateness of the financial control procedures operated in the Parish Council. Audit Officer Rachel Massey examined these procedures.

**Overview**

The Town Council has eight Councillors who sit across full council and finance committee. A new Clerk has been appointed in November 2020 and is the only members of staff. Siston Parish has a population for of around 3,500 adults. The 2020/21 annual precept was set at £44,000. The Auditor was pleased to report that the medium priority recommendations from the previous audit in February 2020 in no longer an issue. There are four low priority / best practice recommendations below which have all been discussed and agreed with the Clerk.

**Opinion**

The highlighted wording in the table below provides the opinion for this internal audit review and its accompanying description.

High Standard	Systems and processes are excellent providing good assurance. Significant strengths have been identified and are to be commended, any recommendations made will serve to further strengthen existing arrangements.
<b>Reliable Standard</b>	<b>There are very few significant matters arising from the audit, systems of control are good and provide reasonable assurance.</b>
Improvements Required	Existing procedures need to be improved in order to ensure that they are fully reliable. Extensive recommendations have been made but the issues are not of such a significance to represent a major risk to the Council.
Significant Improvements Required	Existing procedures are weak and reasonable assurance could not be provided over a number of areas. Prompt action is necessary to improve the situation and avoid unnecessary risks.

**1. Key Strengths**

- Supplementary Covid-19 Standing Orders have been produced;
- Meeting minutes are clearly presented and were all available on the Parish Council website;
- Payments are presented to Full Council for approval;
- Council meeting are currently being conducted via Zoom;
- Precept has been set taking annual budgeting into consideration.

**2. Key Risks**

- Income isn't clearly traceable within the financial accounting records;
- The Council does not have adequate arrangement for assessing it's risks;
- The asset register is unclear;

**3. Key Actions**

- A Health and Safety Schedule should be created to assist with the Council's duty of care to the public;
- The Asset Register information should be transferred into a table / spreadsheet format;
- Parish Council invoices would benefit from a sequential numbering system being introduced;
- The Receipts and Payment spreadsheet would benefit from more detail adding.

**4. Advisory points**

- It would be good practice for the Parish Council to have an Annual Grant page on their website. This should include the criteria and application process that a local organisation or group need to go through if they wish to apply for a grant. This will allow the councils grant funding to be accessible to all. An example has been provided to the Clerk.

**5. Follow Up**

As part of our assurance work we will also review audit findings from the in year audit by way of a follow up. We must advise you that as per External Audit requirements we are no longer able to provide a 'Partial' audit opinion on the AGAR (the Annual Governance and Accountability Return). Therefore any audit finding resulting in a 'Partial' or 'No' rated Control Objective at the in year audit, still remaining not implemented by the Year End audit, will now have to be submitted as a 'No' rating on the AGAR.

All of the matters arising from the audit are detailed in the Action Plan together with suitable recommendations.

6. The Control Environment

Key Control Objectives		Achieved?
A.	Appropriate accounting records have been kept properly throughout the year.	Yes
B.	The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	Yes
C.	The council assessed the significant risks to achieving objectives and reviewed the adequacy of arrangements to manage these.	Yes
D.	The annual precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate.	Yes
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	Yes
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes
G.	Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	Yes
H.	Asset and investment registers were complete and accurate and properly maintained.	Yes
I	Periodic and year-end bank account reconciliations are properly carried out.	Check at Year End
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	Check at Year End
K	IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. ( <i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2019/20 AGAR</i> )	N/A
L	During summer 2020 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirement of the Accounts and Regulations.	Yes
M	(For local councils only) Trusts funds (including charitable) – The council met its responsibilities as a trustees.	N/A

7. Auditors & Acknowledgements

Audit Manager	Justine Lawson	
Auditor	Rachel Massey	

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer ; Proposed Timescale
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Priority: Low				
1	<p><b>Health &amp; Safety Schedule</b></p> <p>An Asset inspection rota has been presented to audit, but detail is limited with dates and details of inspections not included.</p> <p>The Health and Safety Policy covers staff health and safety but not the public.</p>	<p>The Council does not have adequate arrangement for assessing its risks.</p>	<p>A Health and Safety Schedule should be created to assist with the Council's duty of care to the public.</p> <p>This should include information from the asset inspection rota and planned cleaning inspections with dates.</p>	<p><b>Responsible Officer</b> Clerk</p> <p><b>Target Implementation Date</b> 06/04/2021</p>
2	<p><b>Asset Register</b></p> <p>The asset register is due for review in December 2020.</p> <p>Presentation of the register does not contain much information is not in a clear format.</p>	<p>The asset register is unclear.</p>	<p>During the next annual update of the Asset Register transfer the information into a table / spreadsheet format.</p> <p>Check the latest NALC guidelines for information required.</p> <p>Include: Item details, cost and date of purchase, use, location of item, current valuation and review date etc.</p>	<p><b>Responsible Officer</b> Clerk</p> <p><b>Target Implementation Date</b> 06/04/2021</p>

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No.	Matter Arising	Associated Risk	Recommendation	Responsible Officer ; Proposed Timescale
<b>Priority: Best Practice</b>				
3	<p><b>Bank Mandate</b></p> <p>The Parish Council Bank Mandate is in the process of being updated due to a change of Councillor and Clerk.</p>	<p>The Bank Mandates does not contain current signatories.</p>	<p>Please provide Internal Audit with the updated bank mandate at Year End.</p>	<p><b>Responsible Officer</b> Clerk / Full Council</p> <p><b>Target Implementation Date</b> 06/04/2021</p>
4	<p><b>Invoice numbering / Receipts and Payments spreadsheet.</b></p> <p>Invoices are provided on letter headed paper for Allotment rents and are clearly presented.</p> <p>No invoice numbering system is used.</p> <p>Receipts and Payments spreadsheet contains only minimal information.</p>	<p>Income due is not clearly traceable in the Receipts and Payments spreadsheet.</p>	<p>Parish Council invoices would benefit from a sequential numbering system being introduced.</p> <p>Numbering receipts for payments received in a similar way would allow for easier tracing of money.</p> <p>The Receipts and Payment spreadsheet would benefit from more detail adding, such as invoice numbers, receipt numbers, dates of transactions, cheque numbers, cross checking against bank statement etc.</p>	<p><b>Responsible Officer</b> Clerk</p> <p><b>Target Implementation Date</b> 06/04/2021</p>