



FINAL

Internal audit report 2019/20

Visit 1 of 1

BERE REGIS PARISH COUNCIL

Date: 7th June 2020

Report author: R Darkin-Miller
Email: r.darkin@darkinmiller.co.uk

Introduction

This report contains a note of the audit recommendations made to Bere Regis Parish Council following the carrying out of internal audit testing on the 27th April 2020.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the additional testing set out in the AIAR of the AGAR 2018/19.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

The internal audit for 2019/20 has now been completed in accordance with the provisions of the Practitioners' Guide and the CIPFA code of internal audit practice. Based on the testing, all of the Council's current financial controls reviewed during the testing appear to be operating effectively, with the exception of:

Test L: public rights

I checked to see that the Council was compliant with its statutory duties as regards the exercise of public rights during the summer of 2019. I confirmed that the Council had correctly calculated the public rights dates, and I checked the Council's website during the statutory period of public rights to confirm that all required information had been published. The External Auditor subsequently confirmed that, in order to pass the public rights test, a Council needed to provide a website audit trail to prove that the information had been uploaded before the public rights period started, and that it was in place for the duration. The Council has a website audit trail, and the Clerk notes that all required information was in place on 01/06/19 (well in advance of the 17/06/19 start date of the public rights period), but the audit trail has only logged the date of the most recent revision to the document, which was a minor correction made on 18/06/19. As such, it is not possible to prove that the information was in place on 16/06/19.

Audit Recommendations

Recommendations made during the audit are shown on in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	1
Medium	0
Low	2
Information	1
TOTAL	4

I would like to thank Amanda Crocker, Parish Clerk, for her assistance during this audit.

Darkin Miller Chartered Accountants
2019/20 INTERNAL AUDIT OF BERE REGIS PARISH COUNCIL
FINAL REPORT: 7th JUNE 2020

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
2.1 – Ensure all payments are minuted for approval	<p>I checked to see that all payments had been minuted for approval. I found that the following payments do not appear to have been minuted for approval during the year:</p> <p>30/06/19 Cash £250 (Bere Fest Entertainment) 30/06/19 Cash £100 (Bere Fest Entertainment) 05/07/19 Cash £117.50 (bread rolls for Bere Fest) 28/02/20 Cheque 1916 £1 (BT kiosk) 18/07/19 Bacs NC009 £28 (Neighbourcar Feb, May, July 2019) 03/08/19 Bacs NC010 £24.75 (NC July/Aug 2019) Date not noted £53.55 (AP) 06/01/20 Bacs NC024 £50 11/02/20 Bacs NC026 £14.85 11/10/19 £30 (Lunch club banner) 13/01/20 £75 (Nov meals less plants for Xmas) 18/06/19 £49.23 (Holme Nursery) 23/08/19 Bacs MB004 £47.46 (Ottery) 11/10/19 Bacs MB007 £58.59 (Salisbury) 03/12/19 Bacs MB010 £49.20 (Winchester)</p> <p>Payments made with a date late in March 2020 (which will be picked up in April 2020).</p> <p>The Clerk has confirmed that: - The Bere Fest items were not minuted for approval as the money was taken from cash collected on the day.</p>	H	<p>Think this will solve itself when we switch over to Edge as all items will have to be coded and go through the books, regardless of whether they affect the Precept or not.</p> <p>Moving forward, I will ensure everything is noted for the minutes although some of the items by their very nature are likely to be retrospective.</p>	Parish Clerk	

	<p>No precept monies were involved as the event was not for profit.</p> <ul style="list-style-type: none"> - The payments relating to the Lunch Club, Neighbourcar and Minibus are initiatives over which the Council has little control, and none of the costs are taken from the Precept (any shortfall is met with Distgen grant funding). <p>Paragraph 5.38 of the Practitioner’s Guide notes that ‘All payments made since the last meeting should be reported to the next authority meeting.’ External audit has confirmed that ‘as a general point we would expect that all payments and receipts included within Section 2 of the AGAR are in accordance with the Practitioners’ Guide and the individual smaller authorities financial regulations.’</p> <p>I recommend that all payments which are processed through the Council’s accounts are minuted for approval, and that any payments not minuted during the year are minuted at the next meeting of Council.</p>				
2.2 – Check payments lists prior to approval	<p>I also found errors within the payments lists.</p> <ul style="list-style-type: none"> - Bacs016 (approved June 2019) was for £168.90, but the actual expenditure was £169.50. - Bacs043 (approved July 2019) was for £2369.03, but the actual expenditure was £2639.03. - Bacs ref SPLC016 (approved Jan 2020) was for £69.75, but the actual expenditure was £101.32. - Bacs SPLC024 (approved March 2020) was for £130.93, but the actual expenditure was £116.08. <p>I recommend that checks are made to ensure that the correct amount is minuted for approval.</p>	L	<p>BACS016 - 60p was omitted from the initial payment which was approved at £168.90. This was corrected in August when the 60p was added on to the £80 approved for calendars</p> <p>BACS043 - This was corrected when the payment cleared and the spreadsheet was amended accordingly.</p> <p>SPLC016 - An error in the minutes. The minutes combine</p>	N/A	N/A

			two entries in error. It should have read PM £101.32 and DF £69.75 SPLC.24 - This was made up of 2 elements - £116.08 for the lunch club and £14.85 for NeighbourCar. The combined total is £130.93.		
10.1 – Adjusted items	The following adjustments were made during the audit: 1. The comparative for staff costs were restated to exclude travel, in line with the Council's early adoption of the 2020 Practitioner's Guide. This meant that prior year staff costs fell and other payments rose by £181. 2. Other costs and other income were both restated to bring in the gross costs of the operation of the Neighbourcar, Salt and Pepper Lunch Club and Minibus Schemes. This increased other income and other payments by £5537. 4. Fixed assets were restated to amend a casting error on the fixed asset register. This increased the stated value of fixed assets by £2241.	Info	Noted	N/A	N/A
12.1 – Public rights	I checked to see that the Council was compliant with its statutory duties as regards the exercise of public rights during the summer of 2019. I confirmed that the Council had correctly calculated the public rights dates, and I checked the Council's website during the statutory period of public rights to confirm that all required information had been published. The External Auditor subsequently confirmed that, in order to pass the public rights test, a Council needed to provide a website audit trail to prove that the	L	Noted. We'll just have to make sure we don't need to make any late changes.	Parish Clerk	

	<p>information had been uploaded before the public rights period started, and that it was in place for the duration.</p> <p>The Council has a website audit trail, and the Clerk notes that all required information was in place on 01/06/19 (well in advance of the 17/06/19 start date of the public rights period), but the audit trail has only logged the date of the most recent revision to the document, which was a minor correction made on 18/06/19. As such, it is not possible to prove that the information was in place on 16/06/19.</p> <p>I recommend that (as far as possible) all corrections are made prior to the start of the public rights period, so that the website audit trail records an upload date prior to the start of the period.</p>				
--	---	--	--	--	--