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Elizabeth Martin
Clerk to Ogbourne St George Parish Council
Ivy House
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23 May 2021

Dear Elizabeth

OGBOURNE ST GEORGE PARISH COUNCIL

Internal audit report - Year ended 31 March 2021

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2020-21 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for 2020-21 on 14 May 2020.

My internal audit review was carried out in May 2021.

Background

Ogbourne St George Parish Council has income and expenditure of less than £25,000 and is exempt from external audit.

The Council is not a sole managing trustee.

The Council is required to comply with the Transparency Code for Smaller Authorities 2014.

The Council's accounting records are maintained on Easy Books.

Internal audit checks

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

I checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income and expenditure
- VAT claims
- Payroll
- Risk assessment and insurance
- Asset register
- Budgets and reserves
- Transparency code
- Year end checks

Findings

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

Good practice

- The Clerk is studying for the CiLCA qualification
- The Council maintains an accounting system on Easy Books
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Councillors attend training by the local branch of the National Association of Local Councils
- Bank reconciliations are prepared regularly
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- The payroll is operated by an independent external payroll provider

Good practice continued

- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- Adequate insurance is in place
- The Council complies with the Transparency Code for Smaller Authorities 2014
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

Recommendations

Minutes of meetings

- The total amount of expenditure approved at the meeting is recorded in the minutes.

Income and expenditure

- The Council could consider an accounting package that is specifically tailored for Councils, such as Scribe.

Asset register

- The Council should review the asset register annually.

Other matters to be brought to the Council's attention

- The Annual Governance and Accountability Return (AGAR) was completed with positive assertions to all relevant objectives with the exception of objective M. As the Notice for Public Rights in 2020 was announced on the first day of the inspection period, when it should have been at least one day before. The Council should respond "No" to assertion 4 on the AGAR.
- Not all the payment dates in the cash book were correct, though everything was recorded.
- Bank reconciliations should be prepared at the last day of the month.
- VAT has been reclaimed on Voucher 19 relating to the Easybooks subscription. 50% of the net amount was paid by the Council (£75). The gross amount was £180.00. There was no invoice addressed to the Council. In my view this amount should not have been reclaimed.
- Voucher 71 is for an Ionos amount of £3.00. The amount paid was £18.00.

Conclusion

Based on the tests I have carried out at this internal audit visit, in my view, the internal control procedures in operation are adequate to meet the needs of Ogbourne St George Parish Council.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bridget Bowen'.

Bridget Bowen FCA

Internal auditor