

Newbold Verdon Parish Council

Internal Audit Action Plan – year ending 31st March 2020

Checklist Ref.	Key Policy and Procedure	Internal Auditor Comment/Recommendation	Action Taken
1.1	Book Keeping – Ledger maintained and up to date	Moved from Excel spreadsheet accounting to AdvantEDGE computerised accounting software system. Accounts balanced at year end.	The purchase of EDGE was approved at the September extra ordinary meeting (min. ref. 19/421). However, no cost was mentioned or approved. Year end for 31 st March 2020 has now been performed with all accounts balancing and the year being locked on the system.
1.3	Evidence of Internal Control	Recommended to ensure at least a quarterly internal control inspection is performed.	The previous Clerk did implement a form of internal control via the Resources Committee meetings, but this was not properly evidenced in the minutes and no proper system was implemented as per legislation. The current Clerk has already started to implement a new system of internal control for the new financial year and will ensure the correct policies and procedures are in place for this purpose. A council member will also be agreed at the Annual Meeting in the role of Internal Controller, with quarterly reporting against budget completed.
1.4	VAT Evidence of reclaim	Last reclaim to 31 st March 2020	The new Clerk will be performing a quarterly VAT reclaim in line with the new internal control system going forward.
1.6	S137 expenditure recorded within statutory limits	Separate S137 account maintenance in the AdvantEDGE system.	The new clerk has added in a new budget heading within AdvantEDGE for S137. The spend for the current year is £0.00, but without looking through every single item on the expenditure list, the Clerk will be unable to determine if any expenditure should have been set against this. However, this will be recorded in the meeting minutes and reported on the system properly, going forward.
2.1	Standing Orders	Consider applying latest NALC model SO's	The new Clerk has already created new Standing Orders which will be adopted at the May Annual Meeting.
2.3/2.4	Financial Regulations	To be reviewed to ensure latest NALC model applied and applicable for internet payments.	The new Clerk has already created new Financial Regulations which will be adopted at the May Annual Meeting.
2.7	Adequate Internal Controls	Concerns raised regarding expenditure receipts submitted for reimbursement from outside groups, which had no power to pay them and were not eligible for S137 spend.	The new Clerk has ensured this practice has ceased forthwith and that unless items have been correctly approved by council first, at a council meeting and there is legislation to allow such expenses, it will not be approved or paid for by council. This includes S137 items.
2.10	Purchase Orders	Were purchase orders raised for all major expenditure	The new Clerk has created a purchase order system which will tie in with the AdvantEDGE system.

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2.12	Legal Powers	Are they identified on the agendas and minutes and/or accounts?	This had not been happening so the new Clerk has changed the agenda and minutes to incorporate a payments table which itemises all expenditure and the relevant power allowing for this expenditure to be made/approved by Council. As the new Clerk is qualified and holds the CiLCA qualification and there are enough members of council who are elected, council meet the eligibility requirements to allow them to adopt the General Power of competence, which they will do so at its May Annual Meeting.
3.9	S137 expenditure minuted?	-	As this had not been taking place, the new Clerk will ensure any S137 spend is recorded correctly in the accounts and recorded in the minute book accordingly.
4.1	Annual budget to support precept	Requested an up to date copy of the budget set for 2020-21	Although minute evidence can be found to state the budget and a precept amount was discussed and approved, the figures do not correspond to the actual amount received from the Borough Council. The new Clerk will ensure that the setting of the next budget and precept will be recorded correctly using the appropriate wording and evidenced as such in the minute records.
4.4	Any Reserves ear-marked	Ear-marked reserves totaling £122,450 were listed	No document can be found which itemises the current ear-marked reserves. However, after investigation, the new Clerk has gleaned that the following has been ear-marked for the highlighted projects, thus leaving council with free reserves of £58,564. This breaks down to £40k for general reserves (50% of the precept as per the Reserves Policy) and leaves £18,564 available for other projects. <ul style="list-style-type: none"> ▪ £76,208 Heritage Walk Recreation Ground ▪ £46,242 Green Energy Projects ▪ £5k Cemetery Maintenance TOTAL £127,450
4.6	Precept Demand	Correctly minuted?	As this was not correctly minuted, the new Clerk will ensure that the next precept request is recorded correctly in the minutes and will use the LRALC recommended wording to ensure this happens.
5.2	HMRC Tax Code	Have all issues been sorted?	All tax code issues with the caretaker/cleaner have now been sorted with HMRC and the employee in question, is now on the correct tax code having repaid what was due. The new Clerk is also on the correct/new tax code for the new financial year.
5.4	Approval of Council Salaries	Confirmation is required as to how these are paid.	The new Clerk can confirm that the salaries are all approved by Council prior to being paid with evidence of the pay slip and HMRC fees due, circulated to council prior to payment. All salaries are paid on the 25 th of the month in line with HMRC guidelines/practices.

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6.2 6.3	Asset Register	Is the asset register up to date and current? Are all assets and their value recorded separately?	This was not the case and not all assets were recorded or separately, therefore the new Clerk created a new asset register in line with the current guidelines and legislation for year end, and will continue to work on this during the next few months to ensure every asset is recorded and council is adequately insured.
7.4	HSBC Bank Mandate	Mandate amended following the May 2019 meeting – council elections – meeting ref. 19/357	The mandate was changed again at the February meeting due to Ja’Neen Day leaving the employ of the PC and Josie Flavell taking over as Clerk. Minute ref. 19/544(4).
10.2	Bank Statements and Ledger	Do they both reconcile?	Yes and these have been presented to council in readiness for the Accounting Statement on the Annual Return to be presented to council at its Annual Meeting.
12.4 12.6	Internal Audit Report July 2019 Published Asset Register Published	Were these documents published on the smaller authorities website?	The Internal Audit Report was published on the PC website but was not recorded in the minutes as having been circulated to council for review. The Asset Register is not currently published on the current PC website. However, as Council have approved the use of a new website provider/host, the new Clerk will be undertaking the task of creating a new website and content in readiness for the external audit process, with all documents uploaded for this purpose.
13.1	Internal and External Audit Reports	When received, were these circulated to council, actioned and recorded as such in the minute book?	As per the comments under 12.4, the reports and action taken were not all recorded in the minute book. However, the new Clerk has rectified this matter by drawing up this action plan which has been circulated to council prior to the Annual Meeting and will be record as such in the minutes.
13.5	Electronic Files Backed up?	-	These are currently backed up by Astley Computers who council have an annual contract with. The new Clerk has also recently backed up all documents on the PC laptop via Microsoft One-drive and pursuant to legislation will also be purchasing a USB stick to ensure all files are backed up once a week and the USB stick locked away in the filing cabinet. This will be kept at the parish office once the Covid-19 pandemic restrictions have been lifted.

Signed:

Date: 30 April 2020

Josie Flavell – Clerk and RFO