

**Internal Audit Check - Whimble Parish Council
Year Ended 31st March 2022**

1 - Records & Accounting

Commentary

1.1 - Records Maintained	Yes, monthly bank reconciliations clearly carried out and signed. Confirmation by email of primary records kept and requested records as part of this audit provided (Pump Track installation work by Forte Trailscapes Ltd).
1.2 - Internal Controls	Yes, budgetary variance produced and reviewed as per meeting minutes.
1.3 - VAT	VAT schedule maintained and annual reclaim is in place, prior claim received in the year. Confirmed by email all VAT invoices are filed and stored.
1.4 - Payment Authorisation	Two signatures for cheques paid, I observed this at meeting of my appointment 19/07/2021, recognition in minutes that Chair and 'Audit' Cllr have been signing cheques in the absence of other Cllrs.
1.5 - Asset Register	Asset register maintained, some historic items recorded gross of VAT, provided recommendation to recognise as net of VAT if VAT is to be reclaimed. Confirmation of significant spend in year on new 'Pump Track' backed up by invoice as above.
1.6 - Petty Cash	Petty cash record kept, no petty cash transactions carried out in the year.

2 - Procedures and Process

Commentary

2.1 - Governance Review	Evidence minuted of prior year review of AGAR and accounting statements.
2.2 - Code of Conduct	All Cllrs publish their declarations of interest and acceptance on appointment. Clearly minuted evidence of exclusions from voting when necessary.
2.3 - Website Maintenance	Review on 19/05/22 showed historic records online including minutes, governance docs and monthly financials as expected. This is imperative for public disclosure requirements.
2.4 - Review of Minutes Findings	Spot check of minutes carried out; a risk has arisen regarding the work constructed on a bridge to the Parish field with a contractor and the Environment Agency (Feb 22).
2.5 - Regular Bank Reporting	Each month the income / expenditure with bank reconciliation is agreed and minuted.
2.6 - Budgeting	Precept received agrees to precept requested and evidence of budgets set provided.
2.7 - Banking	Bank mandate is out of date, RFO is not named on the the PCs accounts, previous clerk / RFO still named individual. Key recommendation to adjust if not already done so by production of this report.
2.8 - Payroll and PAYE / NIC	Evidence of PAYE and NIC considered in minutes and financial reports as expected.
2.9 - AGAR Signing Process	Recommended and noted that this must be signed separately and minuted separately.
2.10 - Insurance	Confirmation by email of insurance coverage secured. Evidence in minutes of requests to include new items within the insurance.

Recommendations & Broad Comments

- It is recognised there has been reliance on Chair / 'Audit' Cllr for signing cheques, this in of itself is fine and good to be noted as not ideal practice. It is worth spreading the responsibility across Cllrs in order to ensure segragation of responsibilities and act as a collusion prevention method.
 - Alter the bank mandate to update for current RFO / Clerk, it still remains the previous Clerk.
 - Ensure recognition of fixed assets going forward where VAT will be reclaimed as net amount in asset register.
- **Parish Bridge** - There is a risk related to the bridge connected to the parish field from Slewton Crescent, the PC has minuted its actions as it has gone through the process of seeking resolution and prepared a 'flow chart' action plan for future capital projects (Mins, March 2022) to prevent future occurrence on capital projects. I would recommend annual review of this process and inclusion in governing document to codify. Based on the minutes published by removing the bridge the PC have acted by removing the bridge in relation to health and safety and Environment Agency expectations, there are concurrent ongoing small claims court cases that are a potential liability for the PC. I would recommend an unprompted disclosure of all details, records and negotiations to the external auditor for review. As far as requirement 'C' of the internal audit sign off on the AGAR then I would consider the PC has recognised the potential risks, acted on them and ensured public disclosure while seeking to mitigate future potential errors with a new process as would be expected.

Tom Hobson
ACMA / CGMA
18th June 2022