

## **Collingham with Linton Parish Council Internal Audit Report April 2020**

### **Introduction**

Owing to the lockdown caused by the Coronavirus Pandemic Internal Audits are currently being completed remotely. Prior to completing the audit, I contacted PKF Littlejohn the external auditors appointed by the Government outlining my plan for completing remote audits and received this in response.

Dear Ms Brown

Thank you for your email. Your proposed approach appears reasonable. If you are unable to carry out all of the work you usually do, we would recommend including details of any work you have not been able to perform as a result of the remote working conditions, in your report to the council. If you find it necessary to respond 'No' to any of the objectives listed on the AIAR section of the AGAR, please ensure information is provided in explanation. This is in line with usual practice.

Kind regards

#### **SBA Team**

For and on behalf of PKF Littlejohn LLP

T +44 (0) 20 7516 2200

[sba@pkf-littlejohn.com](mailto:sba@pkf-littlejohn.com)

It must be noted that this audit was not completed in the usual way, but a great deal of thought has been given to ensure that the audit was completed as effectively as possible.

In addition, the advice from the Yorkshire Local Council's Association (YLCA) to councils was to go ahead as normal with internal audits. There was no further guidance as to how this was to be managed.

The scope of the audit albeit it remote was to look at the policies and procedures currently in place, to examine financial transactions in 2019/20 and to make recommendations for improvement.

The conclusions reached from the audit are based on the information given to me by Tina Wormley Parish Clerk and Responsible Financial Officer. This report should go to full council and be discussed, and the recommendations considered.

### **Previous Audits**

The starting point of any audit is to look at the output from previous audits. I noted that the end of year Certificate on the Annual Return from the external auditor noted an error on the completion of section 2 box 8 but this did not have a material effect.

My recommendations from 2018/19 were as follows and the notes in italic are the actions taken as advised by Tina.

- Standing Orders to be updated. *Yes, updated May 2019.*
- Whenever possible, to maximise the reimbursement of VAT, to ensure that VAT invoices are received. *Yes, undertaken, I noted a VAT claim in the Council's bank account for £9,392.09.*
- The Asset Register should be updated on the website and the pop-box issue looked at. *The pop-up box now sorted; we now have a new website hosted by Vision ICT. The Asset Register is now on the website.*
- Formal invoices to be received from Chris Conroy for works completed. *This has now been changed and I noted better practice when examining the invoices.*
- If it is felt appropriate, consideration should be given to investing with CCLA Investments to ensure future maximisation of interest. *This is currently under consideration.*
- Specific budget headings should be used for all council expenditure. *We still need to amend the spreadsheet as we have Other and Sundry but no spend made under these headings. This will continue to be a recommendation as Other and Sundry are too generic and should not be used.*

### Policies and Procedures

I examined the Policies and Procedures and found them fit for purpose, they included.

- Internal Controls Document
- Risk Assessment Policy
- Asset Register
- Standing Orders
- Financial Regulations- just a note on the Financial Regulations in that there was an update received from the National Association for Local Councils (NALC) received in July 2019 so as the current regulations are dated 2018 an update is required.

### Council Minutes

To ascertain council activity in the year being audited I examined all minutes for the year being audited. The queries resulting from this exercise were all satisfactorily answered by Tina.

### Website

Collingham with Linton has a good user-friendly website. I was able to find the expected documents on it. This included the Annual Governance and Accountability Return (AGAR) for 2018/19 which include the provision of public rights during the summer of 2018. This requirement is now an internal control objective on the AGAR so must be checked.

I am also confident that the Council is effectively considering the requirement of the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations of 2018. This legislation comes into effect in September 2020.

### Councillor's DPI's

Listed below are the current councillors, unfortunately at the time of the audit their Disclosure of Interest forms (DPI's) were not on the website. Tina said that this was because they had not been transferred across from the old website. This can be a problem when transferring data from one site to another. I am assured from previous audits and working with Tina before that this is the case. Tina is to put the DPI's on as soon as possible.

Phillip Skelton  
Angela Martin  
Debbie Forsyth-Conroy  
Sharon Green  
Derek Henderson  
Alison Henson  
Julian Holmes  
Diana Lee  
Marianne Moses

### Financial Transactions

Tina emailed me the scans of all bank statements for the year being audited. I also examined the bank reconciliations for the year and was satisfied as to their accuracy. At the year-end there was a total of £86,913 in the bank accounts operated by the Council. This was checked to both the cash book and bank statements.

From the bank statements I chose 10 invoices for further scrutiny and found them to be for appropriate council activity.

Tina has also actioned a VAT reimbursement which has been received in 2019/20 of £9,329.09. I examined the claim and found it to be satisfactory.

Tina also sent me the latest statement from the Public Works Loan Board, as at the 31<sup>st</sup> March 2020 the principle balance outstanding was £83,806.67.

### Salaries

There have been no changes to employees since my last audit. At the last audit Tina and I discussed that in the future this may change as her workload will increase owing to the receipt of Community Infrastructure Levy monies (CIL). There is to be a lot of new houses built and this will result in additional resources which will need to be managed. This will be a matter to be reviewed in the future when more details are known.

## Recommendations

It is my opinion that Collingham with Linton Parish Council is an effective council serving its community well.

I found minor issues with the website such as the lack of DPI's, but this was owing to the problems of data transference. Tina already has this issue in hand and will resolve.

The Financial Regulations require updating to reflect the latest guidance published by NALC.

I also include here a recommendation from my last audit as I feel it be important. This is the one regarding budget headings. Budget headings should be specific especially when detailing the financial requirements of costing future projects, using budget headings as Other and Sundry is not good practice.

## Conclusion

Collingham with Linton was my first remote audit and I think it achieved the coverage to give assurance that the Council is working effectively. I could verify that the appropriate accounting records have been kept in year and that VAT was appropriately accounted for.

The need for a remote audit was owing to the circumstances in which we currently find ourselves. It is hoped that we can all return to some semblance of normality soon.

I would like to thank Tina for her help during this unusual process. The information I needed was given to me promptly and efficiently. I wish all good wishes to Collingham with Linton Parish Council with a hope of better times soon.

Diane Brown- Collingham with Linton Auditor 17/04/2020