

REDBOURNE PARISH COUNCIL

INTERNAL AUDIT REPORT

I have completed a thorough audit of Redbourne Parish Council primarily limited to systems and procedures and financial balancing. I have not undertaken an indepth audit of the accounts but would be happy to do so if required.

From what I have seen I do not consider that such an audit is necessary.

PREVIOUS AUDIT

I have seen the recommendations of the 2021/22 audit and from those recommendations it is very hard to actually say what was recommended and what appropriate actions were needed.

As such I am unable to comment as to whether any of the recommendations have been undertaken.

ACCOUNTING

Simple, clear spreadsheet used for accounting showing income and payments and a snapshot seen payments cross referenced to payments. Easy to understand.

There appears to be limited evidence of internal control and adherence to Financial Regulations at the start of the year. This did improve from around February 2022 when the new Clerk was appointed. Examples here whereby purchases were made but I could find no evidence of such authorisation in accordance with the Financial Regulations within the minutes.

A claim for VAT has been made.

There have been no cash payments made.

I have not been able to confirm bank reconciliations as bank statements are not available but I am satisfied that Council have seen such information through evidence within the minutes..

Recommendations:-

- *Consideration given to an Internal Control policy.*
- *Purchases and made in accordance with the Financial regulations and minuted as such. This has been undertaken since February 2022.*

DUE PROCESS

Agenda's correct and available.

Minutes correct and available.

Policies have been reviewed through the year although it was noted that some of the policies on the website are out of date.

List of Members Interests not available on North Lincolnshire Council's website.

Fixed assets have been reviewed.

Recommendations:

- *Consideration be given to an Internal Control policy.*
- *Implement a Publications Scheme Policy*

RISK MANAGEMENT

No unusual activity identified within the minutes.

Insurance has been reviewed and appropriate.

The Risk Assessment/Policy was very basic and didn't cover any financial risk.

No evidence of internal financial controls

Bank balances are reported to meetings.

Section 137 payments have been made and reported correctly.

Bank mandate may need reviewing.

No Scheme of Delegation.

The Clerk operates a backup system for files which is appropriate.

Recommendations

- *Consideration to adopting a Risk Management Policy / Register*
- *Consideration given to an Internal Control Policy*
- *Review delegated powers and maybe introduce a Scheme of Delegation*

BUDGET

Appropriate budget process completed in setting the precept.

Reserves adequate.

PAYROLL

This is managed by an external provider. No areas of concern.

ASSET CONTROL

Asset register has been reviewed.

BANK RECONCILIATIONS

Within the accounting records there appears to be appropriate bank reconciliation although this has not been cross referenced to a bank statement. Bank reconciliations provided at each meeting.

YEAR END PROCEDURES

No areas of concern.

Annual return correctly signed and submitted in previous year.

Notice of Public Rights correctly recorded.

SUMMARY

This audit generally covered governance which was not entirely transparent until February 2022 after which significant progress was been made resulting in no areas of real concern. I would recommend you implement policies to reflect Internal Control, Scheme of Delegation and Publications Scheme.

Members Interest were not available and this does need to be resolved.

Risk Management was poor and this was recognised by the new Clerk who is reviewing this.

The Council is not eligible for General Power of Competence due to insufficient elected members.

You may wish to consider reviewing the Gardening Club as this is not a committee of the Council and it could be seen that money is being paid to individuals. I'd suggest either forming a committee or certainly adopting Terms of Reference to govern the club.

Carl Thomas

4th May 2022