Kingston St Mary Parish Council Internal Audit Report Financial Year 2021-22

Internal audit carried out by:
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Audit completed: 14th July 2022

Tests	Yes/No	Comment
Financial		
Does the Council meet the criteria to sign the Certificate of Exemption 2021/2 to declare itself exempt from a limited assurance review?	No	Receipts are more than £25,000. The Council will need a limited assurance review.
Are the accounts prepared as Receipts and payments or Income and expenditure	N/A	Receipts and payments
What are the Council's banking arrangements? Does it use online banking?	N/A	Cheque payments with cheques signed by two councillors.
Are there Financial Regulations in place and have they been reviewed recently?	Yes	Reviewed 10/05/21item 8.4
Is there any petty cash? If yes, is there a procedure in place to manage it?	No	The Clerk would claim expenses.
Accounts – arithmetic check	Yes	The payments spreadsheet was checked.
Are payments correctly authorised in line with the Council's payment controls?	Yes	Payments agreed at meetings in line with payment controls.
Are staffing costs correctly recorded for the Accounting Statement?	?	Accounting statement for 2021-22 not seen
Are all payments included in the minutes?	Yes	Payments spreadsheet and bank statements checked against minutes.
Are all payments correctly recorded?	Yes	All payments recorded as paid.
Are any payments made using S137 correctly identified?	Yes	Yes, payments to Kingston Community Partnership
Is income correctly recorded?	Yes	Checked against remittances and bank statements.
Was the process for agreeing the budget for 2021-22 documented and was the budget approved?	Yes	Budget for 2021-22 agreed at a meeting held on 07/12/20 item 12.0
Was the 2021-21 precept approved and recorded in the minutes?	Yes	The precept for 2021-22 was agreed at a meeting held on 07/12/20 item 13.0, but as in 2020-21 the amount of the precept was not included. This was addressed when the 2022-23 precept was agreed and the amount was minuted.

Does the Council regularly review and monitor its spending against its budget and are monitoring reports produced?	Partly	The Council reviewed budget v actual half yearly. With more receipts and projects, the Council might find it useful to review quarterly.
Is there evidence of regular bank reconciliations and are these checked by a councillor?	Yes	Evidence of regular bank reconciliations. These are checked as part of Council's Internal Audit. Bank reconciliations could be regularly checked and signed by a councillor and reported to Council.
Does the bank balance at 31 March 2021 agrees to the accounts and Box 7 of the Accounting Statement for 2020-21?	Partly	Bank statements checked against Cashbook. The 2021-22 Accounting Statement was not provided.
Has the variance analysis been completed?	No	Not provided
Has VAT been correctly accounted for?	Yes	
Is the VAT return accurate and completed?	Not provided	VAT repayment received in May 2021 for 2020-21. No VAT return provided for 2021-22. With more projects and more VAT consideration could be given to reclaiming VAT more frequently.
Does the Council have adequate reserves taking into account any earmarked reserves?	Yes	No accounting statement provided and I was unable to clearly see the amount of funds that were earmarked for projects. Reserves appear quite high.
Does the Council have a General Reserves Policy? Has it reviewed the level and purpose of its earmarked reserves?	No	Added to the JPAG Practitioners Guide for 2021 is 1.13 Reserves — The authority needs to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves.
Risk management		
Does the Council have adequate insurance cover for its needs?	Yes	Insurance cover provided by Zurich. 3 Year Long Term Agreement. Evidence that the Council obtained 2 quotes.
Does the Council have an Employer liability certificate?	Yes	
Is there a Risk register in place, is it up to date and has it been reviewed within last 12 months?	Yes	Reviewed 10.05.21 item 8.5
Does the Council have a Statement of internal control?	Yes	Control systems included in Financial Risk Assessment.
Has the Council reviewed the of Effectiveness of Internal Audit?	Yes	Adopted Internal audit procedure 10.05.21
Transparency Code (Information on website)		
Agendas – are they published on the website? Are agenda items clear on the decisions councillors need to make?	Yes	Items are clear on decisions that need to be made.
Minutes – are they published on the website? Are they adequately	Yes	Minutes are published on the website, items and pages are numbered, decisions are clear and they

numbered, are decisions clear and do they include the payments that have been approved?		include details of all payments. The meetings on 10.05.21 and 14.06.21 were held virtually even though the legislation allowing meetings to be held virtually came to an end on 7th May 2021. I note the minutes do not include the venue for the meeting or the start time.
Is the Annual Governance Statement 2020-21 published on the website?	Yes	
Is the Accounting Statement 2020-21 on the website?	Yes	
Are payments over £100 in 2020-21 on the website?	Yes	Details of all payments published on the website
Are details of land and buildings owned by the Council published on the website?	No	If there is any land ownership it should be shown on the website to comply with the Transparency Code.
Is the bank reconciliation at 31.03.21 on the website?	Yes	
Is there evidence of Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations?	Yes	Notice dated 20/06/21 published on the website. Period of public right from 21/06/21 – 30/07/21. Correct number of days
Are Councillor responsibilities or representation on the website?	No	Councillor representatives have been appointed for the KSM Playing Fields Management Committee and Quantock Hill AONB JAC but I couldn't see that on the website
Staffing		
Does the Clerk and any other Council employee have a Contract of employment in place?	Yes	The Clerk is the only employee, and she has a Contract of Employment.
Are payroll procedures carried out correctly and PAYE and NI correctly accounted for?	Yes	The Council pays for Payroll Specialists to carry out payroll.
Has the Clerk received a Year end P60?	Not seen	This was not seen but as the Council pays for a payroll service I would be surprised if it had not been provided.
Has the Clerk received any training in year?	No	
Does the Council have an Absence and Sickness Policy and if not, are arrangements included in Contracts of Employment?	No	Included in Contract of Employment
Does the Council have an Annual Leave Policy and if not, are arrangements included in a Contract of Employment?	No	Included in Contract of Employment
Does the Council have a Grievance and Disciplinary Policy and if not, are arrangements included in a Contract of Employment?	No	Included in Contract of Employment

Members		
Is the Council's Code of Conduct in place and up to date?	Yes	For 2021-22. Councils have now been asked to adopt the LGA Model Councillors Code of Conduct.
Are all councillors' Register of interests published on the parish website?	No	These are not published on the website and there is no link to the ROI Forms on the SWTC website.
Have councillors received any training in year?	Yes	Making rural housing more affordable seminar.
Other policies and procedures (are they in place and up to date?)		
Standing Orders	Yes	Reviewed and agreed 10/05/21
Anti-fraud and Corruption	No	
Data Breach Policy & Subject Access Request Policy	Yes	Adopted 07/12/20
Privacy Policy & Notices	Yes	Adopted 07/12/20
Awarding of Grants	Yes	Adopted 07/09/20
Equality, Diversity and Inclusion	Yes	Adopted 11/01/22
Complaints	Yes	Adopted 11/01/22
Safeguarding	Yes	Adopted 11/01/22
Information Publication Scheme	Yes	Adopted 20/05/19. Reviewed 10/05/21 and agreed it needs updating.
Other matters		
Did the Council take appropriate action on all matters raised in reports from internal and external audit.		Certificate of Exemption signed for 2021-22 so no external audit report received. The minutes of the meeting held on 19/07/21 report that the Council received and noted the Internal Auditors Report. .
What are the arrangements for website management?	N/A	Clerk supplies information for parish website manager to publish. Parish Council pays for domain name registration, hosting and hosting.
Does the website have an accessibility statement?	Yes	
Are there arrangements in place for IT backup?	Yes	Provided by R & W Steen
Does the Clerk/RFO have a good understanding of the AGAR requirements for completion?	Yes	
Does the Clerk have a good understanding of GDPR.	Yes	The Council has looked at GDPR requirements during 2020-21 and put new policies in place.

I have carried out the internal audit for 2021/22 in accordance with what I have considered to be this authority's needs and planned coverage. On the basis of the findings in the areas examined above, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority. There were no matters of non-compliance identified.

The AGAR Internal Audit Report has been signed.



Jill Larcombe

14.07.22

Documentation inspected

Cash book

Copies of invoices and remittances

Bank statements

Bank reconciliation

Asset Register

Cheque book

Minutes

New policies