

TW

Accountancy

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The Parish Clerk
Queen Camel Parish Council
Innes House
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Somerton
TA11 7LL

6th June 2021

Dear Elaine

We have pleasure in presenting the Internal Audit Report for Queen Camel Parish Council for the year ending 31st March 2021.

The work was carried out by our accountant, Susan Burgoo. There were several areas that required more investigation than anticipated, but we have managed to keep our fee within the limit of our quote at £250 + VAT. We will raise an invoice once the Report has been accepted by the Parish Council.

Thank you for your assistance throughout and for the comprehensive audit file you prepared for us.

Yours sincerely

TW Accountancy

TW Accountancy Services Ltd

Internal Audit Report
for
Queen Camel Parish Council 2020/21
prepared by
Susan Burgoo FCCA FRSA
6th June 2021

As Internal Auditor I have independently carried out an examination of areas which meet the internal control objectives as listed on the Annual Governance and Accounts Return (AGAR) and best practices as outlined in the Practitioners Guide 2020 and 2021 for the year ended 31st March 2021.

The audit has been carried out using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and controls in operation through a review of the evidence of these controls and selected detailed sampling.

The Internal Audit Report on the AGAR was then completed as per conclusions drawn from these detailed findings.

Due to the current COVID 19 pandemic and in line with Government and Council guidelines on reducing all nonessential travel, internal audit services have conducted audits remotely. To comply with this, we have not undertaken any site visits.

The Clerk has supplied all relevant documentation as evidence via email and post. Additionally, we were granted access to the Scribe software and were able to make further checks there.

Audit Report: Queen Camel Parish Council 2020/21

Objective: The objective of the audit was to provide an independent opinion on the appropriateness of the financial control procedures operated in the Parish Council during the year.

Overview: The Parish Council currently has nine Councillors. A new Clerk was appointed in April 2021 and is the only member of staff.

The 2020/21 annual precept was set at £17,819.

The Auditor notes that there were no priority recommendations from the previous audit in April 2020. There are several low priority/best practice recommendations below which have all been discussed and agreed with the Clerk.

As part of the internal audit review, we have checked and examined:

Bank reconciliations: Evidence was sighted in council minutes of bank reconciliations being requested and reported to Council. As virtual meetings have taken place usual control checks have not always been possible to evidence on records. The year-end bank reconciliation as at 31/3/2021 was re-performed by us and found to be accurate, matching to the bank statement as of that date.

Petty cash: None was held or used throughout the year.

Income and expenditure: Test checks of payments were done to both bank statements, purchase invoices where applicable, and grant requests authorised in the minutes, as well as to the records in Scribe. We note that there were two occasions where payments were only approved by the Finance Committee and not the full Council. One authorised payment remained unpaid at the year-end despite being approved in September 2020.

Budgeting: The budgets are on Scribe. This allows for relatively easy variance reports to be run and checked on a regular basis.

VAT: No reimbursement has been claimed since December 2019. The VAT coding on Scribe entries is somewhat erratic, but this does not affect the accuracy of the amount of reclaim available.

Payroll: Payroll processing has now been outsourced to PATA, but there were arrears prior to doing this. The PAYE & NI deductions have been paid over to HMRC, but it is noted that HMRC may have allocated them to an incorrect Employer Account due to an error by the previous clerk. This must be corrected as soon as possible as currently HMRC believes they are still outstanding, and penalties could be levied.

Asset Register: We have confirmed with the Clerk that it is up to date and accurate. There were no additions or deletions during this year.

Insurance: The £10m for Employer's Liability and £10m for Public Liability is considered sufficient cover for the council.

Parish Council Minutes: These were checked for items and notes of financial approval, as well as decisions on grant allocations.

Improvements Required: Some existing procedures need to be improved to ensure that they are fully reliable. Recommendations are made below, but the issues are not of such a significance to represent a major risk to the Council. Several matters may have already been addressed since the year end.

The summary below gives some guidance:

Key Strengths

1. An Emergency Resolution has ensured that full Council operation has been maintained during the Covid-19 pandemic and that finance matters reverted to the full Council when the sub-committee did not have a quorate.
2. Meeting minutes are clearly presented, published within the required timeframes, and are all available on the Parish Council website.
3. Payroll has been outsourced at an efficient value.

Key Risks

1. Payments have not always been made on a timely basis.
2. Bank payment authority. The Bank Mandate was not updated when councillors left.
3. Loss of information due to no adequate computer back-up and recovery plan.
4. Website information is out of date on several of the publications. Councillor responsibilities and other Transparency Code requirements are not fully recorded on the website.
5. HRMC contact details need updating from the former clerk as the access codes are still sent to his phone.

Points 1 & 2 can be explained somewhat by the issues around the Covid-19 lockdown periods. Point 3 has now been addressed by installing a Dropbox cloud backup system.

Key Actions

1. Set aims for payments to be made within a reasonable timescale, say 60 days maximum.
2. Update the Risk Management policies.
3. Contact HMRC to get the PAYE & NI payments allocated to the Queen Camel Employer Account. Change the HMRC access contact number.
4. Claim for VAT refunds at least on an annual basis.

Advisory points

1. General Reserves are slightly under the optimum recommended level for smaller authorities. A reserves policy should be agreed by Council.
2. There is no Privacy/Data Protection Policy on the Publications page of the website. GDPR requirements in general should be reviewed and updated where necessary.

This Internal Audit Report should be Minuted by the Parish Council.

Susan Burgoon, Accountant