

Quarterly report to Wetheral Parish Council by Internal Auditor for the period ended 30 June 2019

I confirm that the Internal Audit for the period 1 April to 30 June 2019 has been undertaken and make the following comments and/or observations:

1. Bookkeeping

A proper system of bookkeeping is in place. The cash book and bank statements are reconciled monthly and all relevant invoices are retained in order and properly marked for reference together with sanction list to provide a satisfactory audit trail. All accounts are dealt with similarly.

VAT is properly recorded where necessary. The returns of VAT coincide with month ends

2. Standing Orders/Financial Regulations/Payment Control

A current set of Standing Orders (based on the approved Model Standing Orders recommended by NALC) are adopted and reviewed

A current set of Financial Regulations (based on the model produced by NALC) has been adopted and is use

All payments are supported by relevant vouchers and authorised for payment by the council and minuted

An original set of Minutes, properly approved, numbered and signed, is held

An original set of Minutes of Finance & General Purposes is similarly held

An original set of Minutes of Cemetery Committee is similarly held

Minutes of confidential issues are kept separately (these usually refer to Human Resources matters)

3. Budgetary Controls

A proper procedure has been adopted to determine the Precept

A proper budget is in place and actual performance against budget is regularly monitored

4. Income Controls

Income received is promptly banked

5. Petty cash

Proper control and reimbursement of expenses in place.

VAT is accounted for where necessary

6. Payroll

A proper system of payment of salaries approved by the Council is in place and the rates are based on nationally agreed scales by NALC & SLCC

Management of payroll is outsourced to payroll professionals. Confidential details relating to salary and other awards are retained in a separate run

7. Asset Control

An updated asset register is held reflecting revised valuations. Valuations are on an historic cost basis rather than insurable value and certain assets are valued nominally as 'community assets' but these are covered for insurance purposes at replacement value to ensure that they are caught under the Public Liability section of insurance.

8. Risk Management

A satisfactory form of Risk Assessment and Management is in place

9. Computer Security

The relative passwords/PINs are noted in a sealed envelope held by the Chairman with a copy sealed envelope within the safe. It is noted that if this envelope must to be opened then the instructions in Financial Regulations 6.11 must be strictly followed.

There are no passwords for electronic banking which are held automatically on computer (each transaction requires a separate code to be entered) – Financial Regulations 6.16 refers

10. Governance

Members are reminded of their obligations under the Code of Conduct on each Agenda and, additionally, when reminders are issued by Carlisle City Council

Proper records are maintained of Members' Interests and Declarations of Acceptance of Office

Proper record is maintained of Members' Attendance at meetings of full council

11. Human Resources

- A proper system exists to undertake an Annual Appraisal of all employees
- There is pension provision for appropriate employees
- It is noted that the remuneration package of all staff was reviewed and implemented appropriately following the conclusion of national negotiations and as recommended by NALC and SLCC

12. Recommendations

The following recommendations/observations are made for action/consideration as necessary:

- Bank statements **must** each be signed and dated by a **nominated** Member (Financial Regulations 6.10)
- A Member (**not** the Chairman) should verify the bank reconciliation **at least quarterly**, sign and date both the reconciliation and bank statements, and report to the Finance and General Purposes Committee (Financial Regulations 2.2)
- A record of regular payments (Direct Debits and Standing Orders) should be prepared and signed by two Members when such payments are authorised. It is suggested that a list is prepared and reviewed/agreed annually (perhaps at the meeting in May to coincide with other reviews/renewals). Financial Regulations 5.6, 6.7 & 6.8
- Remuneration of Staff. The agreed job evaluation review consequent upon additional responsibilities following the building of the Sports Pavilion remains extant
- Where Minutes are recorded on a loose leaf system the sheets should be numbered consecutively for each meeting in the format of 'Page 1 of 2'
- To avoid any confusion it is recommended that all policies are similarly numbered.