

Annual Internal Audit Report

(to be read in conjunction with the Annual Governance and Accountability Return)

Name of council:	Brafield on the Green Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	21.05.2019
Year ending:	31 March 2019	Date audit carried out:	21.05.2019

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit. This report is based on the evidence examined and made available to me. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below. **The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

To the Chairman of the Council:

I met with Viv Hartley, Clerk and RFO on 21 May to carry out the year-end audit of Brafield Parish Council; thanks are due to Viv for her help and assistance.

During the course of the audit, I examined the Council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, data security and back-up and year-end procedures.

I noted that the Council claimed exemption from External Audit last year due to the turnover for the year being less than £25,000. It should be clearly understood that the *quid pro quo* for being able to claim this exemption is that the Council complies with the requirements of the Transparency Code for Smaller Authorities regarding the display of information and documents on the Council's website. I sought evidence that my previous year's report had been properly reported to and actioned by the Council. Unfortunately, whilst the Minutes show that it was reported and circulated at the 16 July meeting, no response or actions appear to have been agreed at any subsequent meeting. Furthermore, items remain outstanding as follows.

1. I referred in last year's report to the Council's procedures for handling planning applications. I understood that planning applications on which the Council is being consulted are still being sent routinely to the Chairman rather than the Clerk. Furthermore, I noted one extra-ordinary meeting of the Council on 29 December (a Saturday), attended by 1 member of the public for which Minutes but no Agenda appear on the website. I reiterate my advice to the Council in last year's report against holding 'non-standard' meetings.
2. Also on planning matters, I noted in last year's report that the Council had amended its procedure for commenting on planning applications to '... ensure all comments were ratified in a public meeting prior to submission to SNC'. However the introduction to Minute 7 of 21 November 'Local – planning matters occurring between meetings dealt with and ratified at this meeting' suggests otherwise.
3. Councillors are still using personal rather than corporate e-mail addresses. I set out in last year's report the potential difficulties this causes with respect to compliance with the General Data Protection Regulation (GDPR). The Council has further to go in terms of compliance with this legislation; it is not

alone and in an e-mail of 13 May, NCALC has recently updated Councils, via their Clerks on their legal obligations that go beyond the appointment of NCALC as their Data Protection Officer (DPO).

New issues noted this year are as follows;

1. I appreciate that the new website remains, to a degree work in progress but the included links to archived documents as yet, reveal no documents archived. The suite of documents currently displayed does not meet the mandatory requirements of The Transparency Code 2015, Annex A.

2. I have some concerns regarding the making and recording of payments by the Council. I draw your attention to;

a) payments to 'Bus shelter cleaner' rather than the payee whose name is entered on the cheque are routinely recorded in the Minutes, apparently for reasons of data protection. I believe this argument is specious and the *rationale* questionable as it runs contrary to the requirements of the Transparency Code. I note the regular payments to B Osborne for payroll services and salary payments to V Hartley, the Clerk recorded in the Minutes routinely name the payee.

b) the Minutes of 10 September record cheque 194 as cancelled (without explanation) and 195 for £1051.20 to Benchmark UK Ltd. The Minutes were approved as correct at the Council meeting of 21 November where payments from the new Lloyds Bank account commence with cheque number 002; there is no mention of cheque number 0001. I noted from the cheque book stub that this cheque had been issued to Benchmark UK Ltd on 29 October in the sum of £1,008 and I was able to match that to an invoice from the company for that sum. This payment appears not to have been approved by the Council for payment and there is no explanation in the accounting records for this sequence of events.

This report is based on the evidence made available to and seen by me and consequently, the report is limited to those matters set out above. Through examination of the website, hard evidence and questioning, I confirm that I tested all the aspects of the Council's internal controls that I am required to consider. Accordingly, I have completed and signed off the Internal Audit Report as required.

John Marshall
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	41,532	12,687
2. Annual precept	13,250	13,000
3. Total other receipts	3,268	6,661
4. Staff costs	4,018	4,672
5. Loan interest/capital repayments	0	0
6. Total other payments	41,345	15,658
7. Balances carried forward	12,687	12,018
8. Total cash and investments	12,687	12,018
9. Total fixed assets and long term assets	96,974	97,982
10. Total borrowings	0	0