

Internal Auditor's Findings and Recommendations

Finding	Risk Level	Recommendation for improvement	Action taken or proposed
Although the Financial Regulations and Standing Orders were updated in August 2019 using the latest national guidance as a proforma, the delegated authority level is very low, set at £50. The national guidance allows delegated authority up to £500.	Medium	The parish council should review the delegated authority level. It could also consider an annual list of known/expected payments for the year, which can then be authorised at the start of the year.	A full review of the Financial Regulations was due in April 2020 but has been delayed due to Covid-19. Council is being asked to revise the schedule of reviews later in this meeting. However, I hope to be ready to present a review of this document by the end of July 2020.
Although, this may be sufficient for the parish council at most times, the recent unprecedented situation has highlighted that we cannot always maintain 'business as usual'.		Known regular payments, such as salary, can also be paid via standing order.	Financial Regulations will be considered by Council on 6 August 2020
Some invoices are not sufficiently detailed and for example do not clearly and fully include the Parish Council name & address, and/or the date.	Medium	The Parish Council should be going back to suppliers/contractors to ask for appropriate and legitimate invoices the meet HMRC requirements.	I have gone through all invoices for 2019/20, identified those that do not conform to HMRC requirements (found on-line) and have advised those "contractors" of the need to provide correct invoices in future.
There is no evidence that the invoices have been checked for accuracy prior to payment.	Low	Invoices should be checked prior to payment by the Clerk. This should be evidenced on the invoices.	I have purchased a rubber stamp which will allow the necessary checks to be clearly shown on each invoice.
Accounting records kept do not show the split of VAT.	Medium	Accounting records should show the breakdown of VAT. In order to keep the records complete and accurate, the parish council should ensure that it obtains valid VAT receipts & invoices where possible, and this should be clearly shown in the accounting records. VAT can be reclaimed by parish councils.	A revision to the spreadsheet presented to Members each month has been made to allow for VAT to be shown separately. Reclaimed VAT will need to be apportioned to the relevant budget head if received during the year in which the expenditure occurred.

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The budget does not show any income, or brought forward amounts.	Medium	The annual budget should show both the expenditure, expected income and brought forward amounts.	The budget proposal for 2021/22 will show anticipated income and brought forward amounts.
			A schedule of anticipated income for 2020/21 will be circulated for this meeting of the Council and in future months.
The parish council are not keeping a full record / trail of income due.	Medium	The parish council should be insuring that full records are maintained for income due to the parish council. This includes raising invoices for the income due from the Carhampton Allotment Society.	Income Has been included on the Statement of Accounts but not shown against anticipated income. A further monthly report is now being provided to Members to show actual income against anticipated income for 2020/21 and, for 2021/22, actual income against budgeted income.
As above	Medium	The agreement with the Carhampton Allotment Society should state the amount due annually and payment dates.	A revised agreement will be drafted to include the information required by the auditor.
The clerk is being paid his salary gross and then paying HMRC himself for PAYE. Although evidence was provided that this has been completed, the payments should be made directly from the parish council and the Clerk paid net salary only. In addition to this, there is no evidence of oversight / review by the parish council to confirm that the clerk has been paying the PAYE accurately and timely to HMRC.	High	The PAYE element of salary should be paid by the parish council. This should be deducted at source and the Clerk paid the net amount after it has been deducted.	The change from separate cheques for Clerk and HMRC was made on the basis of cost of postage savings. This was reversed from May 2020 when two cheques were signed, one for the Clerk's salary and expenses, the other for HMRC payment. This is the new on-going procedure.
The Asset Register, although on the whole appears to be complete and well detailed, is lacking values for some of the items.	Low	It is suggested that for those items for which the value is not known, replacement values are researched and added to the Asset Register.	The items missing a value are the Salt Bins and Information Kiosk. I am awaiting responses to requests for the cost of replacing these items