North Mymms Parish Council

Financial Year 2019-20

Interim Internal Audit Observations

Visit date: 30 September 201

B ***This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.***

No.	Audit Conclusion	Observation	Recommendation	Priority
1	The Council is not using the latest Model Financial Regulations	*The Council is not using the updated NALC model Financial Regulations published July 2019. The Clerk has downloaded the latest version of the Financial Regulations and this will be reviewed by the Finance Committee in November 2019.*	The Council to review and update its Financial Regulations	Medium
2	The Clerk is not CiLCA qualified	*The Clerk and the Council have agreed not to go forward with the CiLCA qualifications.*	The Council should consider whether the Clerk should be CiLCA qualified.	Medium
3	The Council has not issued any guidance on the usage of any Council debit or credit card.	*It was noted that the Clerk has a debit card in her name. This card has a £500 limit. It is current practice for the clerk to share the debit card with the head grounds man. It is adviseable that the Council seeks alternative solutions for this. Consideration should be given to using prepaid cards.*	The Council must issue guidance on the permitted usage of any debit or credit card.	High
4	Electronic bank payments may be made on a sole authorisation basis	*The Council banks with NatWest. Currently the Clerk is set up to process online payments. Three online transaction were carrried out by the Clerk to date. The Clerk raised the invoice on the banking system and also made the payment. The invoices were approved by the Councillors. On discussion with the Clerk we were informed that the Council is seeking alternative solutions and are considering on sourcing a suitable bank for online processing and approvals.*	The authority should develop specific control procedures for any payments by bank transfer. This should include a requirement for dual authorisation of online bank payments.	High

C ***This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.***

No.	Audit Conclusion	Observation	Recommendation	Priority
1	The Council has not formally Minuted a review of Risk	*The Council has not carried out a formal risk review 2018-19. The Council is aware and are currently in the process of creating risk management policy and procedures. External Audit has made reference to this.*	The Council must ensure that it has conducted a review of Risk prior to the end of the financial year.	High
2	A copy of the Council's Risk Register was provided to the auditor.	*The current Risk Register is fragmented and out of date. The Council must ensure that a combined risk register is completed, updated and put forward to Council for review and formal adoption.*	The Council must Combine and update the Risk Register and put this forward to Council for formal review and adoption in this financial year.	Medium
3	Council does not have in place an Anti-Bribery & Corruption policy	*The Council does not have an Anti-Bribery & Corruption Policy.*	The Council should put in place an Anti-Bribery and Corruption policy.	Medium

D ***The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.***

No.	Audit Conclusion	Observation	Recommendation	Priority
1	Budget was not approved prior to setting the precept	*The Council formally recorded the setting of the precept before approving the budget.*	The Council must ensure that the Precept set is based on a specific budget requirement evidenced by a budget approved prior to setting the precept.	High
2	The Council has not formally minuted consideration of the points raised by the External Auditor in their report.	*The Council will review the External Audit Report at the 30th October 2019 meeting. External audit raised one matter which related to risk management and that the council had not fullfiled this requirement. The Report was issued by PKF 29th September 2019.*	The Council MUST ensure that it minutes consideration of reports of the External Auditor.	High
3	The Council has not published the AGS, Statement of Accounts and External Auditors report as required by the Accounts and Audit Regulations 2015 Regulation 13.	*The External Audit Report was issued on 29 September 2019. The External Audit Report has yet to be published.*	The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 13	High
4	The Council has not published the Notice of Conclusion of Audit as required by the Accounts and Audit Regulations 2015 Regulation 16.	*The Notice of Conclusion of Audit has not been published on the Council website.*	The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 16.	High