

Braunton Parish Council

Financial Year 2020-21



Visit date: 27 April 2020

Year End Internal Audit Observations

Box A Appropriate accounting records have been kept properly throughout the year.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Council Minutes have not been signed in accordance with the Local Government Act 1972	<i>It was noted that Minutes dating back to August 2020 have not been signed. It is understood that this is due to the COVID situation and Councillors not physically attending the office.</i>	The Council must ensure that Minutes are signed in accordance with the requirements of the Local Government Act 1972	Medium	

Box 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	Comments
1	The Council has not reviewed its insurance coverage during the year	<i>It was noted that the Council has not undertaken a review of the insurance value of some of its items which have an inherent value, such as the Civic regalia and paintings, for a number of years.</i>	The Council should review the insurance value of assets such as the regalia and picture on a regular basis. It may be appropriate for this to be subject to review every 5 years.	High	

Box 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	Comments
1	Council has not reviewed the level of Reserves	<i>It was noted that Councils reserves are significantly below the Council annual expenditure and precept.</i>	Council should review the level of reserves to ensure that they are adequate.	Medium	

Box E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The leases are not current and/or income is not being received as required.	<i>The Council has 6 leases. One of which is a commercial contract lease quarterly charges are £3225. It was noted the Council had not raised an invoice in respect of this rent for the period April-June 2020.</i>	Council should establish a robust mechanism (for example a specific listing) of the income it must invoice on a periodic basis.	Medium	

Box G Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	It was not possible to agree salaries paid to those approved by Council	<i>It was noted that only the Clerk is paid on NJC rates. Other staff paid are paid at rates which, it is understood, are based on the living wage. This makes the regular review of staff pay a more onerous process and increases the risk of errors in setting pay rates.</i>	The Council to consider whether to implement the NJC gradings and rates of pay for all staff.	Medium	
2	Salaries and wages payable to staff have not been appropriately approved	<i>Pay reports have been sent to Council as an appendix to Agenda but have not been signed due to COVID.</i>	The Council should put in place arrangements for the independent review and approval of salary payments. Salary schedules should be signed and dated as evidence of this review	High	

Box H Asset and investments registers were complete and accurate and properly maintained.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council has not updated the the asset register with Assets purchased / disposed of during the year.	<i>It was noted that the Council purchased two laptops during the year, these have not been added to the asset register. On discussion with the Clerk it appears that the Council has not formally set a level at which items must be included on the register</i>	The Council should review the asset register and establish a formal value above which items should be included on the asset register. Items below this value, for example tools and items of equipment, may be recorded on a separate Inventory if required.	High	
2	Continuing existence of assets is not checked on a regular basis	<i>It was noted that the Council's asset register include generic headings of items, with a historic valuation, and that the individual items within that heading have not been individually valued</i>	The Council should review the asset register to ensure that it lists individual items and not generic groupings.	High	

Box I Periodic and year-end bank account reconciliations were properly carried out.

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Bank reconciliations have not been signed and dated as evidence of independent review.	<i>Bank reconciliations have not been signed (as with Minutes) due to COVID</i>	Bank reconciliations must be signed and dated as evidence of independent review.	High	
2	It was noted that there were a number of reconciling items on the bank reconciliation.	<i>It was noted that there are old unreconciled transactions dating back to 2019. This have not been listed individually on the bank reconciliation report as the report has been run on a quarterly basis with the old items shown as a total 'brought forward' amount.</i>	The Council must review ALL reconciling items on the bank reconciliation, especially those with an old date, and take appropriate action to resolve any unexplained items	High	
3	The year end bank reconciliation does not agree to Box 8 of the Accounting Statements	<i>It was noted that bank reconciliation approved by Council states a Sage balance of £32,572.61, however TB balance is £32,527.61 a difference of £45 (this appears to be a typing error). The year end bank reconciliation approved also states a Petty Cash Balance of £100. It is understood the the Council no longer holds a Petty Cash.</i>	The Council must review the year end bank reconciliation and ensure that it agrees to the Councils Accounting Statements.	High	