

# Dawe, Hawken & Dodd

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## REPORT PREPARED BY ANDREW FARR FOR ST MELLION PARISH COUNCIL INTERNAL AUDIT REPORT - FINAL REPORT MAY 2021

### INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps organisations accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

### Approach:

Audit work is carried out in accordance with recommended standards.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

### GENERAL COMMENTS:

We would like to thank the Clerk for her assistance and co-operation during the course of the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In giving our internal audit opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

***The review undertaken obtained a level of assurance which has allowed us to complete the Internal Audit Report element of the Annual Governance & Accountability Return with no qualifications, thus in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.***

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**The results of our tests were as follows:****Bank Reconciliation**

The year end bank reconciliation was re-performed and agreed. Regular reconciliations have been prepared throughout the year.

**Satisfactory. No issues.**

**Fixed Assets**

The year end fixed asset register was reviewed and totals were agreed to the asset schedule for fixed assets. Additions and disposals were reviewed and the methodology for identifying fixed asset additions and disposals was reviewed.

**Satisfactory. No issues.**

**Insurance**

Statutory insurances are in place and the fidelity guarantee cover is adequate at £100,000.

**Satisfactory. No issues.**

**Salaries and Allowances to Members.**

Salaries were paid in accordance with approvals and PAYE and Pension provisions properly applied.

**Satisfactory. No issues.**

**Budget Setting and Monitoring.**

The budget and precept were set following the production of detailed estimates. Budget monitoring reports to members are provided regularly.

**Satisfactory. No issues.**

**Reserves.**

The aim of the Council to maintain free reserves of 100% of the precept has been exceeded at the year end. The precept was £11,445 and the reserves at the year end were £48,528, which equates to 424% of the precept. However, the Capital Account of £25,120 is effectively an earmarked reserve, which reduces the free reserves to £23,408 which equates to 205% of the precept.

**Satisfactory. No issues.**

**Governance and Compliance**

Councils are required to annually prepare and consider:

- (a) A general and financial risk assessment covering the council's activities.
- (b) A review of effectiveness of internal control.

Councils should have in place and periodically review:

- (a) A policy relating to anti-fraud and corruption.
- (b) Standing orders for the conduct of council meetings are required by law and should be periodically reviewed and changed to reflect current legislation.
- (c) Financial regulations for the control of its financial administration are required and should be periodically reviewed for either changes in legislation or internal control procedure changes.

**Satisfactory. No issues.**

**Transparency Code.**

The requirements of the Code have been met.

**Satisfactory. No issues.**



ANDREW FARR FCCA

18/5/2021