

Leaffield Parish Council Internal Audit Action Plan 2019-20 – Approved May 2020

No	Audit Conclusion	Observation	Recommendations	Priority	Comments
A Appropriate accounting records have been kept properly throughout the year					
1	The Council cash book does not include a VAT column.	The Council does not record VAT on purchases separately on the Council cash book.	The Council must include a VAT column to record VAT on items purchased	High	As part of the audit the Clerk advised that the MoneyManager software does not have this facility. VAT claims are produced in a timely manner and list all VATable purchases. The Clerk previously obtained a quote for Rialtas software but this was thought to be too expensive by councillors. The Clerk is able to produce regular, accurate reports and end of year information using MoneyManager. Due to the current year's sharp rise in precept, replacement of the current software is not thought to be a priority.
B This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.					
1	The Council could not review the Standing Orders in March 2020.	The Council last reviewed Standing Orders in February 2019. It was intended to review the Standing Orders in March 2020, however due to the current circumstances this was postponed to 8 April 2020 meeting. The draft Full Council minutes 8 April 2020 was provided by the Clerk.	The Council to note. Once the draft Full Council minutes have been fully agreed and signed to re-send a copy to audit.	Medium	As part of the audit the Clerk explained the reasons for the delay and provided draft April minutes. No further action required.

2	The Council could not review the Financial Regulations in March 2020.	The Council intended to review the Financial Regulations in March 2020 however due to the current circumstances this was postponed to April 2020. The draft Full Council minutes 8 April 2020 was provided by the Clerk.	The Council to note. Once the draft of the Full Council minutes have been fully agreed and signed to re-send a copy to audit.	Medium	As part of the audit the Clerk explained the reasons for the delay and provided draft April minutes. No further action required.
C This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.					
1	The Council could not review the Risk Register in March 2020.	The review of the Risk Register was delayed due to sickness and would have taken place March 2020. The review was postponed to 8 April 2020 and a copy of the draft minutes have been provided to audit.	The Council must give a negative response to Assertion 5 on the Annual Governance Statement.	High	<ul style="list-style-type: none"> As part of the audit the Clerk explained the reasons for the delay and provided draft April minutes. Internal Auditor to provide a negative response on Assertion 5 of Internal Audit Report. Provide an explanatory letter when submitting the Annual Return.
D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.					
1	The Council minutes reference on the Accounting Statement 2018-19 is incorrect.	The Accounting Statement was approved and signed 20 May 2019. The minute reference on the statement is 20.3, this should read 20.4 in line with the minutes of the Council.	The Council to note.	Low	The Clerk/RFO & Council to note.

H Asset and investments registers were complete and accurate and properly maintained.					
1	The Council has not reviewed the asset register during the financial year.	The Council Asset Register has not been subject to review 2019-20.	The Council should undertake a formal review of the asset register on an annual basis.	High	To go on agenda for Annual Meeting May 2020.
2	Continuing existence of assets is not checked on a regular basis	Review of the Asset Register and Council minutes the Council confirmed that the Council does not physically carry out checks on Council assets. It is understood that the Clerk currently undertakes this task.	The Council should put in place arrangements for the regular physical verification of its assets. The date the verification was carried out should be recorded.	High	Auditor confirmed verbally that councillors should be responsible for annual physical checks and this should not be done by the Clerk. Council to discuss how this can be achieved.

Additional Action following IA recommendation:

Include formal minute of the completed Notice of Conclusion of Audit being posted.