

August 29, 2020

Braunton Marsh Internal Drainage Board Internal Audit Report 2019/2020

Testing was carried out using sampling and covering a range of financial, risk and governance assessed as appropriate for a council of this size and complexity. The findings are reported below:

✓ Governance and Control

All authorities of whatever size are required to annually prepare and consider:

- A general and financial risk assessment covering the board's activities.
- A statement of internal control
- Annually review any charges for services, whether or not they are increased and record this in the minutes.
- Smaller authorities under £25,000 turnover are legally required to publish on a website information required by the Transparency Code for Smaller Authorities 2014. Boards should have in place and periodically review:
 - ✓ Standing orders for the conduct of meetings are required by law, should be periodically review, and changed to reflect current legislation.
 - ✓ Financial regulations for the control of its financial administration are required by law and should be periodically reviewed for either changes in legislation or internal control procedure changes.
 - ✓ The Board should ensure compliance with the new rules regarding General Data Protection Regulations (GDPR), which came into effect in May 2018.

Generally satisfactory, however, the Board has a Risk Management Strategy & Policy, which was adopted in June 2018; no actual Risk Assessment has been carried out. A number of other policies were last reviewed in 2013. It is recommended that the Board addresses these matters.

The clerk provided information regarding arrangements put in place to mitigate difficulties for the council as a result of the Covid-19 pandemic.

✓ Budgets and Reserves

The Rates and levies were agreed to the minute setting, for the principal authority tax collecting authority records. The receipt was traced and agreed to bank and cash book records. The rates and levies were set after consideration of a budget and agreed rate.

Satisfactory. No issues.

✓ **Other Receipt or Income**

A sample of other receipts was tested to ensure that, as appropriate:

- That grants and interest were correctly recorded in the cash book and agreed to bank statement
- Chargeable services were correctly and promptly charged to the beneficiaries of those services and that arrangements were in place to pursue late payment

Levy payments are received well after the year-end and the Levy invoices raised in February 2020. Levy invoices should be raised earlier in the year to avoid payments in arrears.

A number of calculation errors were identified in the Levy Register and the register not updated when levies paid.

The Rateable Value total in the register is £50,443, which computes to a levy income (x 5.5p in the pound) of £2,774.36, which does not agree with the Section 48 Notice.

These items should be investigated by the clerk and corrected where necessary.

VAT for the period 1/3 to 31/3/2020 for £954.00 should be reclaimed. All previous VAT has been claimed up-to-date.

✓ **Staff Cost**

Testing was carried out as appropriate to ensure that:

- Rates of pay were as approved by the Board
- Additional hours worked were approved and supported by time records
- Employees are paid in accordance with contractual obligations and on the correct pay date
- Employees have a written statement of principal terms and conditions
- That PAYE and NI are operated and paid promptly

Satisfactory. No issues.

✓ **Payments including Bank**

A sample of payments was tested as appropriate to confirm:

- Payments are made in accordance with financial regulations
- Payments are supported by invoice, receipt, expense claim or other appropriate documentation
- Cheque payments are promptly cleared

Satisfactory. No issues.

✓ **Analytical Review**

A review of both income and expenditure was carried out to ensure that details were in line with expectations.

Satisfactory explanations were provided for variances.. No issues.

✓ **Insurance**

Insurance cover was reviewed as appropriate to confirm

- Adequate Fidelity Guarantee cover in place
- Range of cover in place has been reviewed at renewal and this has been recorded in the council minutes

Satisfactory, although the Public Liability is currently £5m. The Board may wish to consider if this should be increased.

✓ **Fixed Assets**

The Board have no fixed assets.

Many thanks for your assistance in completing the audit. If there are any queries, please do not hesitate to contact me.

Kind regards

Julie Snooks