

Moderamen Auditing Internal Audit Report 2022/23



Summary:

I have been appointed the North Cadbury Parish Council Internal Auditor since May 2019 and have seen continual tweaking in each year to improve procedures / paperwork. There will always be areas where things can be improved and internal audit is about an ongoing improvement journey, not getting to a level and stopping.

I have examined the accounts, minutes and supporting paperwork for North Cadbury Parish Council year ending 31 March 2023.

The Council's internal controls, governance, and accounting are to a good standard. Folders and the paperwork are easy to navigate. The website is clear and up to date.

I have over a number of years being gently ushering the Parish Council towards the realisation that the 1894 Local Government Act makes payments to the Church for the upkeep of land or property unlawful.

The Council has now produced a 'policy' that correctly reports that NALC also say that such payments are unlawful. But the same 'policy' makes a misleading statement about the LGA 1972 S214 (6) and the same report also says the Government considers the payments to be lawful.

The only comments by the Government came via NALC and this was that the Government considered the law to be clear in this case and that the Government did not feel that further calcification of the legislation was required.

The 1984 LGA has not been repealed, the law is clear, and the payments are unlawful.

It is a condemnation of the local council audit regime that there is no place on the AGAR to record the auditor's opinion the council is making unlawful payments.

Anyway, I do note that the decision to grant the money was taken after some research was carried out and full and due consideration given – I have to admire that even if I do not agree with the Council's conclusion.

Moderamen Auditing

AGAR Box:	Yes / No:	
A	YES	Comments:
B	YES	Comments:
C	YES	Comments: Risk assessment could be a little more robust. <u>Recommendation:</u> review the scope of the risk assessment
D	YES	Comments:
E	YES	Comments:
F	N/A	Comments: The Council does not operate a petty cash system.
G	YES	Comments:
H	YES	Comments: Insurance values a little in the light side <u>Recommendation:</u> review all insurance values
I	YES	Comments:
J	YES	Comments: Note: AGAR Accounting Statement not seen.
K	N/A	Comments: Council not able to declare exemption.
L	N/A	Comments: While this test isn't applicable, the council would almost pass it, just missing a few minutes documents. I note that this year the council can clam exemption.
M	YES	Comments:
N	YES	Comments:
O	N/A	Comments:

Moderamen Auditing

Further comments and recommendations not affecting the AGAR checks:

1) Declaring Interests:

- a) Meeting 9th August 2022 (planning application) – two members declaring interests. On the face of it Pecuniary Interests. Councillors in question continued to take part in the meeting.
- b) Meeting 28th September 22.129 – Prejudicial Interest declared – There is no such thing – on the face of it an Other Interest. Councillor continued to take part in the meeting.
- c) Meeting 8th February – Interest declared. Looks like this was an Other Interest but councillor remained in the meeting.

Recommendation: whole council training on the declaring of interests and dispensations

- 2) Annual Parish meeting looks like a meeting of the Parish council – it's not, it's a meeting of the parishioners.
- 3) I recommend that the council move over to online banking. Lloyds offers a very good online banking service, so no need to move bank. This will add value to your bank statements and flexibility to way the council is able to pay for services.
- 4) The Church Clock doesn't belong to the Parish Council, I doubt VAT should be reclaimed on invoices of its repair. You may want to take legal advice (SALC offers this as part of the membership)

Simon Pritchard PSLCC

Moderamen Auditing

IAF Member

councilaudit@outlook.com

29/04/2023