

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Burton Overy Parish Council		
Name of Internal Auditor:	Hayley Cawthorne	Date of report:	10/05/2021
Year ending:	31 March 2021	Date audit carried out:	03/05/2021

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.*

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

### To the Chairman of the Council:

I carried out the year-end audit review of Burton Overy Parish Council on the 3<sup>rd</sup> May, 2021. Like last year, face to face visits are not allowed owing to the COVID-19 pandemic, hence this audit was carried out remotely using Zoom.

Prior to this date, Phil Woodward, the parish clerk, had kindly forwarded me both the end of year accounts and the completed AGAR Part 2 Section 2 form.

I reviewed the information available on [www.burtonoverypc.org.uk](http://www.burtonoverypc.org.uk) before the remote meeting and I was able to access a well ordered and detailed set of documents and records.

By examination of these documents and records plus further queries, with the clerk during our remote meeting, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Governance and Accountability Return (AGAR) Part 2, and notwithstanding the items noted below, I am satisfied that effective policies and procedures together with systems to manage, monitor and control the Council's business are in place. As a result, I was able to answer 'Yes' to all the relevant questions on page four of the AGAR and have signed as required.

Noted this visit:

1. All points raised in the 'Internal Auditors Report 19/20 have been addressed.
2. It is recommended that the Parish Council look to adopt an 'Online Banking Policy' and then update the Financial Regulations accordingly
3. At this point in time, owing to the bank's procedures, only the clerk and one other councillor can electronically authorise payments on the banking website/portal. Ideally, for a more robust control, the procedure would be the clerk requesting a payment be paid, and then two councillors electronically authorising the payment. There are banks that enable and support this process.
4. It is recommended that the Parish Council, alongside the clerk, review his capacity to carry out all tasks required in his current contract hours. For assistance, please see the table below, taken from the

recent 'Clerk and Councils Direct magazine. This offers some guidance regarding recommended clerk hours according to the parish council's activities and associated work streams.

Profile of Council	Minimum Hours per month
<b>One meeting every two months. Minimal services</b>	17.5
<b>One meeting a month. Minimal services</b>	26
<b>One meeting a month. Limited services (such as allotments, village green) no employment</b>	30.5
<b>Two or more meetings (council and committees) a month Limited services</b>	33
<b>Two or more meetings (council and committees) a month Several services</b>	35

- It is recommended that the clerk's contract is reviewed to ensure it aligns with the NALC Good practice recommendations.
- A recommendation to review that as an employer, the parish council is providing their clerk with paid annual leave as per the clerk's contract of employment. For example, a clerk employed and paid to work 4 hours a week for 52 weeks of the year amounts to 208 hours of work. However, on a pro rata basis, actual working hours per week should be 3.57 (assuming annual leave allowance of 28 days per year including bank holidays). To achieve a four hour working week a clerk would need to be paid for 4.5 hours. Please refer to illustrations below (used to explain above, hence for information only).

### Calculating Leave Entitlement for Part Time Staff

Enter number of hours worked 4.00 per week

Equals hours per month 17.3 hours

Equals hours per year 208.0 hours

Standard Local Government week 37.0 hours

Pro-rata multiplier 0.11

Enter full time Annual Leave Entitlement 28.0 days  
(including bank holidays etc)

Convert fulltime Entitlement to hours 207.2 hours

Equals pro-rata Monthly Leave Entitlement 1.9 hours

Equals pro-rata Weekly Leave Entitlement 0.4 hours

Balance of working hours 3.57 hours

### Calculating Leave Entitlement for Part Time Staff

Enter number of hours worked 4.50 per week

Equals hours per month 19.5 hours

Equals hours per year 234.0 hours

Standard Local Government week 37.0 hours

Pro-rata multiplier 0.12

Enter full time Annual Leave Entitlement 28.0 days  
(including bank holidays etc)

Convert fulltime Entitlement to hours 207.2 hours

Equals pro-rata Monthly Leave Entitlement 2.1 hours

Equals pro-rata Weekly Leave Entitlement 0.5 hours

Balance of working hours 4.02 hours

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. Consequently, the report is limited to those matters set out.

I would like to wish your council all the best for the year ahead.

Yours sincerely,

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 Internal Auditor to the Council  
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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2020</b>	<b>Year ending 31 March 2021</b>
1. Balances brought forward	7133	5639
2. Annual precept	9600	10265
3. Total other receipts	1006	963
4. Staff costs	3169	3327
5. Loan interest/capital repayments	0	£0
6. Total other payments	8931	7302
7. Balances carried forward	5639	6238
8. Total cash and investments	5639	6238
9. Total fixed assets and long-term assets	16893	16893
10. Total borrowings	£0	£0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and sets out the appropriate standard of financial reporting to be followed.