

**RINGMER PARISH COUNCIL**  
**Internal Audit & Annual Review – 31/03/2018**

In accordance with my Internal Audit Plan, Controls and Procedures have been tested, with Fraud and Risk Issues reviewed - these are well managed, as set out in the Governance and Accountability for Local Councils Practitioners' Guide 2018 and meet the needs of the Council. I would only comment by exception. I confirm that I do not have any role within the Council. I will carry out my duties without bias and follow the Public Sector Internal Audit Standards 2012 - to enable the Council to comply with these Standards and the Accounts & Audit Regulations 2015.

Comments::

1. Cyber Crime. The Council/Clerk/RFO now employ Internet Banking, There may be potential Risks to the Bank Accounts from Third Party Hackers. Some considerations:

- currently there are three Officials who authorise Payments, using separate Passwords/Pin Numbers. This lessens the Risk as all three Delivery Stations would need to be broken into.
- maintain some the Funds in an Investment that cannot be accessed via the Internet
- take out Insurance re Internet Extortion (this is expensive)
- interrogate the robustness of the Antivirus/Firewall Protection on the Computers used by Officials for making authorisations
- ask the Bank to place a daily limit on the maximum amount that can be transferred each day

2. Risk Assessment. This should include any Physical Risks to Parishioners and the Council (eg Benches, Trees etc) and an update is required. Clarification is needed as to who is responsible for monitoring identified Risks.

3. Asset Register. The Figure on the Annual Return is reasonable, but the Register needs a full Review and any updates applied. It is not clear as to the basis of some of the Valuations.

4. Bank Reconciliations. These are carried out monthly and checked by a Councillor. Some of the Figures for the Annual Return and the corresponding Bank Reconciliation, made available for the Internal Audit, required adjustments. The Exercise might involve:

a) Reporting the total Reserves at the time of the Reconciliation, calculated from the Year-start figure, adjusted by the Receipts and Payments Reports in the ensuing Period.

b) The resultant amount should be agreed to the sum Total of all the Bank/Investment Accounts showing on the Bank Statements, adjusted by any outstanding cheques.

Cont.

**RINGMER PARISH COUNCIL**  
**Internal Audit & Annual Review – 31/03/2018**

Page 2

5. The Village Pump Trust. Some years ago, the Trust passed across some Funds to the Council (currently recorded as £852). The Trust does not have a Bank Account. Individual Councillors are the Trustees. It is not clear as to the reason for the original transfer, probably for the Council to use the Funds, whenever Renovations to the Pump might be required. It is also not clear as to how the Council's Book-keeping System historically accounted for the Transfer. The amount forms part of one of the Council's National Savings Accounts. The £852 is deducted from the Balance of the NSI Account for the purposes of the Annual Return and Bank Reconciliations.

To correct this anomaly, it is suggested that the Trust passes this amount, by way of a Grant, to the Council. The figure would then be included in the Council's Books as a Receipt, enabling the completion of future Bank Reconciliations, without the adjustment mentioned above.



Peter Frost  
Peter J Consultants  
14/06/2018