

**INTERNAL AUDIT ON CROMHALL PARISH COUNCIL FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2022**

**Carried out by Emma Pattullo, Clerk/RFO to Aust Parish Council**

<i>Item</i>	<i>Checks carried out</i>	<i>Comments &amp; recommendations</i>
<b>FINANCE</b>		
Confirm that the Parish Council has adopted and recently reviewed Financial Regulations	<p><i>Check that there are a set of Financial Regulations (in addition to those in the Standing Orders) &amp; no conflict with SO18.</i></p> <p><i>Check the date of their adoption and that there was a record made in the minutes</i></p> <p><i>Check that the most recent review date was within the current financial year.</i></p>	<p>Financial Regulations were approved and adopted – 06/05/21 minute ref. 05/2021 9a.</p> <p>Standing Order 18 is compatible with Financial Regulations.</p>
<p>Check that the council's Financial Regulations are being routinely followed by tracking some sample payments</p> <p>You will be provided with all invoices, receipts, bank statements, cheque stubs, receipt books and petty cash (vouchers and reconciliation) in order to do this.</p>	<p><i>Chose an appropriate number of sample payments made at different times throughout the financial year and track them from resolution in the minutes through to the payments being made</i></p> <p><i>Check precept &amp; budget were approved by council</i></p> <p><i>Check VAT reclaim submitted</i></p>	<p>The following payments were checked from resolution in minutes to payment with appropriate signatures:</p> <ul style="list-style-type: none"> <li>• Clerk's salary, expenses and HMRC payments, June 2021. Noted as paid under delegated powers, minute ref. 07/2021 8d</li> <li>• Insurance premium, minute ref. 05/2021 11c</li> <li>• Payment to P Daly, reimbursement for purchase of litter picking equipment, minute ref 12/2021 8c(i)</li> </ul> <p>Resolution to approve proposed budget, minute ref. 11/2021 6d. Noted "with no increase in the precept request" but the actual amount of precept to be requested is not recorded in the minutes. Budget published on website.</p> <p><b>Recommendation:</b> it would be clearer to state the actual precept amount in the minutes.</p> <p>VAT reclaim submitted following end of financial year &amp; details published on website.</p>

<b>Item</b>	<b>Checks carried out</b>	<b>Comments &amp; recommendations</b>
All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted	<i>Check the minutes Compare the bank statement against (bi)monthly financial statement to council</i>	Payments are recorded in minutes monthly. Financial statements to council include copies of relevant bank statements.
All items of expenditure over £100 are listed on the council's website	<i>a. date the expenditure was incurred, b. summary of the purpose of the expenditure c. amount d. Value Added Tax that cannot be recovered.</i>	List of payments over £100 published on the website.
Confirm that each payment has been signed by two councillors, who also initialled the cheque stub & that the cheque signing councillors also initial the invoice	<i>Adapt to the Local Councils own practices as detailed in their Financial Regulations e.g. electronic banking must have adequate controls comparable to the two signature rule</i>	All payments made by cheque. Confirmed cheque stub & invoice signatures for the payments checked & listed above.
Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit	<i>Check the number of the electors in the parish and times this figure by the annual financial limit - 2021-22 figure is £8.41 per elector.</i>	643 electors gives S137 limit of £5,407.63. All S137 payments are listed on the website; confirmed that spend was within the legal limit.
Confirm that quarterly checks of the accounts are made by a councillor not on the finance committee / group	<i>Check the minutes to ensure this was recorded and reported / minuted at a council meeting</i>	Quarterly checks are reported to council & minuted. Quarterly financial statements published on website.
Check the statement of accounts according to the format included in the Annual Return form. Check that the statement of accounts was approved and signed by the Responsible Financial Officer and the Chairman of the meeting approving the statement of accounts.	<i>The statement of accounts should be accompanied by: a) a copy of the bank reconciliation for the relevant financial year, b) an explanation of any significant variances (e.g. more than 10-15 percent, in line with proper practices) in the statement of accounts for the relevant year and previous year c) an explanation of any differences between 'balances carried forward' and 'total cash and short-term investments', if applicable. d) details of reserves e) confirmation of public rights to inspect accounts</i>	Accounting Statement for 2020/21 checked, as published on website, along with accompanying bank reconciliation, explanation of variances, reserves statement and confirmation of dates for public right of inspection of the accounts. Minute refs. 2021/05 9j & 9k  Draft Accounting Statement for 2021/22 viewed & checked for internal consistency.
Check the Annual Governance Statement	<i>According to the format included in the Annual Return</i>	Annual Governance Statement for 2020/21 checked, as published on website. Minute ref. 2021/05 9i.

<b>Item</b>	<b>Checks carried out</b>	<b>Comments &amp; recommendations</b>
Review the Assets Register and insurance policies, confirm renewal has taken place (i.e. paid) & make a note of each coverage limit	<ul style="list-style-type: none"> <li>• <i>Public liability</i></li> <li>• <i>Employers liability</i></li> <li>• <i>Council assets</i></li> <li>• <i>Fidelity Guarantee Insurance</i></li> </ul>	Asset Register reviewed. Insurance policy (Hiscox) schedule checked; coverage limits are appropriate.
Check the details of public land and building assets	<i>a) description (what it is, including size/acreage),  b) location (address or description of location),  c) owner/custodian  d) date of acquisition (if known),  e) cost of acquisition (or proxy value), and  f) present use.</i>	Full asset register published on website, approved by council Dec 2021.
Check that appropriate arrangements are in place for monitoring of play areas, sports pitches and open spaces	<i>Check inspection schedule/reports</i>	Playground has an external safety assessment once per year and regular visual checks are carried out & reported to council meetings.
<b>PROCESSES</b>		
Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months	<i>Check the date of adoption. Also that the last review date is within the past year and recorded in the minutes</i>	Standing orders adopted – 06/05/21 minute ref. 05/2021 9a.
Check the draft minutes of the last meeting(s) are on the council's website Check that the minutes of previous meetings are the approved version and that the draft copies have been removed		Approved versions of minutes published. Signed versions held by the Clerk. Loose leaf pages are not always consecutively numbered. <b>Recommendation:</b> add consecutive page numbering to minutes footer.
Check that agendas for meetings are published (bi)monthly and giving 3 clear days notice	<i>The agenda currently on the website may be for a past date - as long as it is not more than a week older than when the last meeting took place, it still demonstrates routine posting</i>	Agendas are posted on website and remain in place alongside the equivalent minutes.
Confirm that the Parish Council is compliant with the Data Protection Act 2018 & GDPR 2021	<i>Check that there is a policy document and resolution to comply recorded in minutes</i>	Data Protection Policy & Privacy Notices reviewed May 2021 ref: 05/2021 9e. GDPR compliance confirmed to council May 2021, minute ref. 05/2021 9e.

<b>Item</b>	<b>Checks carried out</b>	<b>Comments &amp; recommendations</b>
Confirm that the Parish Council is compliant with the Freedom of Information Act 2000	<i>Check resolution to comply recorded in minutes Check the log of FOIs received and date responded to within the deadline</i>	FoI compliance confirmed May 2021, minute ref. 05/2021 9f. No Fols or SARs received in preceding year.
Review the Risk Assessment and Management Scheme	<i>Check the last review date is within the past year and recorded in the minutes</i>	Risk Assessment approved May 2021, minute ref 05/2021 9c. Published on website.
Confirm that regular backups of electronic records are made monthly and an archive copy kept in a second remote location i.e. Cloud, external hard drive and /or that duplicate hard copies of records are kept at an additional remote location.	<i>Website and email passwords in a sealed envelope and retained by the Chairman is recommended and or "The Chairman's Box" containing duplicate copies of the council's key documents and deeds.</i>	Back ups are made to two external hard drives, one of which is held by the Chairman. Chairman holds a list of key passwords.
Confirm the publication scheme		Publication scheme adopted by council May 2021, minute ref 2021/05/06 9e.
<b>COUNCILLORS</b>		
Check the publication of councillor's contact details	<i>Full home addresses are not compulsory but councillors must be available to be contacted directly by the public by email and/or phone Separate council email addresses are preferable to personal email addresses</i>	Councillors listed on website have phone contact details, some also have emails.
Check that positions that councillors hold on the council are published	<i>i.e. Chairman, Vice Chairman etc.,</i>	Chairman and & Vice Chairman Roles confirmed at council meeting May 2021 & listed on Councillors page of website.
Check the register of member's interests / Declaration of Interest forms	<i>Confirm that the register of member's interests has been reviewed within the last 12 months and the Principle Authority informed of any amendments</i>	Registers of interests are published on council website & SGC website.
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		Roles confirmed at council meeting May 2021 & listed on Councillors page of website. Some representation roles currently vacant.
<b>EMPLOYEES</b>		
Check that the Clerk and Responsible Financial Officer have signed contracts of employment	<i>The RFO may also be the Clerk.</i>	Clerk/RFO has a signed contract.


<b>Item</b>	<b>Checks carried out</b>	<b>Comments &amp; recommendations</b>
Check that all employees have contracts of employment.		No other employees.
Check the contracts of employment and PAYE records	<i>Confirm that all employees are being paid at correct rate (in accordance with contracts/national living wage/timesheets), with all tax and NI compliance.</i>	Sample pay record checked – tax and NI in line with requirements, submission to HMRC confirmed.
Check that the council has a pension provider. Check whether employees are eligible or entitled to join the pension scheme or whether they have opted out of the scheme	<i>Check the council's pension arrangements and that contributions are made in accordance with auto enrolment or contractual obligations</i>	Confirmed registration with pension regulator, 01/4/2020. No employees qualify for auto enrolment.
Ensure that pay rises (if any) are agreed and minuted at the relevant meeting	<i>Check the contracts of employment to ascertain whether JNC recommended pay rises are offered. Even if they are, as pay rises are an additional disbursement from public funds they should be agreed at a council meeting and minuted.</i>	Contracted increase in salary rate, (agreed nationally in March 2022 backdated to April 2021) was paid as back pay in March 2022, though not otherwise detailed.

### **Conclusion of Internal Audit on Cromhall Parish Council for the year ending 31<sup>st</sup> March 2022**

Acting independently, I have carried out an Internal Audit of the policies and practices of Cromhall Parish Council, in order to enable positive response by the relevant assertion in Section 2 of the Annual Return for the year ending 31<sup>st</sup> March 2022.

I have carried out the checks detailed in this report, in order to provide assurance that the Parish Council's systems of internal control, assessment of risk and financial management and accounting are in place and that they are adequate in protecting the use of public money.

Name: Emma Pattullo  
(Clerk/RFO – Aust Parish Council)

Signed: 

Date: 9<sup>th</sup> May 2022