

Internal Audit Report

For

Fenny Compton Parish Council

Year Ended 31 March 2022

Internal Auditor: Trevor B Gill

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Basis of the Report

This internal audit report is based upon the Joint Panel on Accountability and Governance Practitioners' Guide Section 4 Non-Statutory Guidance for Internal Audit issued in March 2022

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvements in these processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations, and applying the approach to internal audit and testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity, and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

NB: It would be incorrect to view the internal audit as the detailed inspection of all records and transactions of the Council in order to detect fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be the day-to-day function of the staff and councillors and not left for internal audit.

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Introduction

The audit was undertaken during April and May 2022.

Where it was not practical to review documents, invoices, receipts, or registers, I will be pleased to review these if deemed necessary or advisable by either the Council, the Clerk / Responsible Financial Officer, ("RFO") or if specifically requested by a member of the public. However, based upon all of reviews in my opinion this review, if requested, is unlikely uncover any major issues.

For detailed information regarding each section of the audit please refer to Appendix 1.

Section 1 – Finance & Insurance

Fenny Compton Parish Council uses an Excel spreadsheet for recording it's financial transactions. The number of transactions is very small, and this is appropriate for a Council of this size.

All receipts and payments were properly accounted for and were reflected in the accounts and the bank accounts in an accurate and timely manner.

1. A transaction level report has been produced and this has been reviewed and no anomalies were found
2. A random sample of the transactions were cross referenced to the minutes and no concerns were raised
3. Section 137 expenditure was within the legal limits. As the expenditure under section 137 related to grants to local activities consideration should be given to agreeing a budget for Community Projects as section 137 should only be used for unexpected expenditure.

Whilst the Excel spreadsheet is accurate and contains the majority of the financial data required to support the financial needs of the Parish Council I would recommend that it is reviewed and simplified as in my opinion it requires a fair degree of understanding to both maintain and review. It should also contain a function which ensures that regular reconciliations to the bank statements can be achieved.

Section 2 – Risk Management

It is noted that Fenny Compton Parish Council has adopted an Emergency Plan which will assist the community to respond to a major incident/emergency

The Risk Assessment should be to ensure that all of the risks that are relevant to Fenny Compton Parish Council and their control procedures are relevant and up to date. This is particularly important as in the unlikely event of an insurance claim the insurers would almost certainly request sight of this document.

The insurance policy which is reviewed annually is considered to be comprehensive and is recorded as reviewed and accepted.

Section 3 – Due Process

Standing Orders

A review of the standing orders was undertaken, and it is pleasing to note that the policies and standing orders that are in place have been recently reviewed.

Councillors Code of Conduct

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Stratford on Avon District Council have recently circulated a new version of the code with the recommendation that all Councils in the District adopt the LGA Code of Conduct. Furthermore, they state that any complaints under the code will be assessed against this version irrespective of the version adopted by local Councils.

It is not the purpose of this report to debate the validity of this statement, but I would recommend that the Parish Council adopts this version without amendment.

Agendas

A review noted that all agendas are of a high standard and were properly issued signed and dated

Minutes

The minutes are of a high standard and showed no unusual items and that they are properly signed as adopted.

Section 4 – Payroll & Employees

The Payroll is administered by the Chair in conjunction with the Clerk and Responsible Financial Officer.

Section 5 – Charities

Not applicable

Section 6 – Burial Authorities

All the records, i.e., the burial registers and deeds for burial grants are maintained by the clerk and all payments in respect of burials are properly recorded in the accounts.

Section 7 - Parish Website

I have reviewed the Parish Council website and find that the requirements for the publication of information are fully met.

It is noted that for all files that are uploaded that relate to Parish Council business are in pdf format which is good practice. This considerably reduces the risk of files in other formats being downloaded and amended. In addition, files in formats other than pdf are much more difficult to view in browsers and this could lead to issues under the accessibility requirements.

It is noted that there is an accessibility statement as required under the legislation implemented under the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018.

Conclusion

Thank you for inviting me to undertake the Internal Audit for Fenny Compton Parish Council.

Whilst reviewing the processes, documentation, and finances it is very apparent that the affairs of the Parish Council are now in very safe hands. The Clerk & Responsible Financial Officer has implemented a high standard of internal control and documentation and fully understands the governance and financial requirements associated with Parish Councils. She is to be commended for the way in which she supports the needs of the Parish Council.

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Where I have made recommendations above it is for the Council to consider whether they are appropriate and should be implemented.

As in previous years the section relating to petty cash in the AGAR Return Part 3 item F has been duly marked as not covered. This does not imply anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Meriden Parish Council it means that there is no petty cash. A letter covering this item has been provided in accordance with the external audit requirements.

This concludes the audit.

Trevor B Gill

Appendix 1

FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2022

Name of Council	FENNY COMPTON PARISH COUNCIL	Name of Clerk	Lydia Cox
No of Councillors		Name of RFO (if different)	As above
Quorum		Precept Amount	£25,765
Electorate numbers		Gross Budgeted Income	£31,148

1.0 Finance & Insurance

1.1 Financial Regulations & Finance Specific Policies

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
1.11	FCPC - Bank Mandate			Yes	Yes	
1.12	FCPC - Internal Controls	January 2021	FCPC Internal Controls.pdf	Yes	Yes	
1.13	FCPC - Financial Regulations	26 April 2021	FCPC Financial Regulations 2021.pdf	Yes	Yes	
1.14	FCPC - Investment Policy			N/A	Yes	
1.15	FCPC - Reserves Policy	May 2021	FCPC Reserves Policy.pdf	Yes	Yes	
1.16	FCPC - RFO Appointed			Yes	Yes	
1.17	FCPC - S7 The General Power of Competence			N/A	Yes	
1.18	FCPC - Standing Orders & Direct Debits			Yes	Yes	
1.19	FCPC - Previous Year End Accounts			Yes	Yes	

1.2 Book Keeping

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
1.21	Arithmetically correct			Yes	Yes	
1.22	Evidence of Internal Control			Yes	Yes	
1.23	Ledger maintained and up to date?			Yes	Yes	
1.24	Payments ledger supported by invoices, authorised and minuted			Yes	Yes	
1.25	Regular reporting and minuting of bank balances			Yes	Yes	
1.26	S137 expenditure minuted			Yes	Yes	Please see recommendation made
1.27	S137 expenditure of direct benefit to electorate			Yes	Yes	
1.28	S137 separately recorded and within limits			Yes	Yes	
1.29	VAT evidence, recording and recalimed			Yes	Yes	

1.3 Bank reconciliation

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
1.31	Any unexplained balancing entries in any reconciliation			Yes	Yes	
1.32	Bank statements and ledger reconcile			Yes	Yes	
1.33	Evidence of quarterly reconciliation check as per Financial Regulations			Yes	Yes	
1.34	Is there a bank reconciliation for each account			Yes	Yes	

1.4 Budget and Precept							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.41	Annual budget to support the precept			Yes	Yes		
1.42	Any reserves earmarked			Yes	Yes		
1.43	Any unexplained variances against budget			Yes	Yes		
1.44	Has budget been discussed and adopted by the Council			Yes	Yes		
1.45	Precept demand correctly minuted			Yes	Yes		

1.5 Purchase Orders							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.51	Committee terms of reference exist and have been reviewed			N/A	Yes		
1.52	Legal powers identified in minutes and/or cash book			N/A	Yes		
1.53	Purchase orders raised for expenditure			N/A	Yes		
1.54	Purchasing authority defined in Financial Standing Orders			N/A	Yes		

1.6 Petty Cash							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.61	If no petty cash has letter to auditors been issued			Yes	Yes		
1.62	Is all petty cash spent recorded and supported by VAT receipts where applicable			N/A	Yes		
1.63	Is petty cash expenditure reported to the Council			N/A	Yes		
1.64	Is petty cash reimbursement carried out regularly			N/A	Yes		

1.7 Year end accounts prepared on correct accounting process							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.71	FCPC - Year End Accounts			Yes	Yes		
1.72	FCPC - Bank statements and ledger reconciles			Yes	Yes		
1.73	FCPC - Underlying financial trail from records to presented accounts			Yes	Yes		
1.74	FCPC - Where appropriate, debtors and creditors properly recorded			Yes	Yes		
1.75	FCPC - Has the council agreed, signed and minuted sections 1 & 2 of the annual return			Yes	Yes		
1.76	FCPC - AGAR Part 1			N/A	Yes		
1.77	FCPC - AGAR Part 2			N/A	Yes		
1.78	FCPC - AGAR Part 3			Yes	Yes		
1.79	FCPC - End of Year Accounts			Yes	Yes		
1.80	FCPC - Standing Orders & Direct Debits			Yes	Yes		
1.81	FCPC - Do arrangements for public inspection of council's records exist			Yes	Yes		

1.8 Insurance cover sufficient and appropriate							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.81	FCPC - Insurance Policy	01 June 2021	20210527 Aviva Policy Schedule.pdf	Yes	Yes		
1.82	FCPC - Fixed Assets Register	08 December 2020	FCPC Fixed Asset Register as at Dec 2020.xls.pdf	Yes	Yes		
1.83	FCPC - Employers Liability Certificate	01 June 2021	20210527 Aviva Employers Liability Certificate.pdf	Yes	Yes		
1.84	FCPC - Public Liability Certificate	01 June 2021	20210527 Aviva Public Liability Certificate.pdf	Yes	Yes		
1.83	Evidence of insurance review			Yes	Yes		
1.84	Does the council keep a register of all material assets owned			Yes	Yes		
1.85	Value of individual assets included			Yes	Yes		
1.86	Inspected for risk and up to date inspection records exist			Yes	Yes		

2.0 Risk Management							
2.1 Annual risk assessment review							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.11	FCPC - Financial Risk Assessment	09 December 2020	FCPC Risk Assessment 2020.pdf	Yes	Yes		
2.12	FCPC - Emergency Plan	23 December 2020	FCPC Emergency Plan 2020 REDACTED.pdf	Yes	Yes		
2.13	FCPC - Internal Audit Report	21 July 2021	20210331 FCPC Internal Audit Report.pdf	Yes	Yes		
2.14	FCPC - Face to Face Meetings Covid Risk Assessment	May 2021	FCPC Face to Face Meetings Covid Risk Assessment.pdf	Yes	Yes		
2.15	Are all electronic files properly backed up			Yes	Yes		

2.2 Previous Internal Control Reports							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.21	FCPC - Internal Audit Report	21 July 2021	20210331 FCPC Internal Audit Report.pdf	Yes	Yes		
2.22	Were recommendations from the previous Internal Audit Report implemented			Yes	Yes		

3.0 Due Process							
3.1 Standing Orders & Policies With Last Review Date							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.11	FCPC - Business Continuity Plan	December 2021	FCPC Business Continuity Plan 2021.pdf	Yes	Yes		
3.13	FCPC - Co-Option Procedure	May 2021	FCPC Co Option Procedures 2021.pdf	Yes	Yes		
3.15	FCPC - Complaints Procedure	March 2021	FCPC Complaints Procedure 2021.pdf	Yes	Yes		
3.24	FCPC - Environmental Policy	March 2021	FCPC Environmental Policy 2021.pdf	Yes	Yes		
3.26	FCPC - Equality & Diversity Policy	March 2021	FCPC Equality and Diversity Policy 2021.pdf	Yes	Yes		
3.35	FCPC - Health & Safety Policy	March 2021	FCPC Health and Safety Policy 2021.pdf	Yes	Yes		
3.40	FCPC - Non Financial Standing Orders	March 2021	FCPC Standing Orders 2021.pdf	Yes	Yes		
3.43	FCPC - Privacy Notice	December 2021	FCPC Privacy Notice 2021.pdf	Yes	Yes		
3.44	FCPC - Privacy Notice - General	December 2021	FCPC General Privacy Notice.pdf	Yes	Yes		
3.46	FCPC - Publication Scheme	22 December 2020	FCPC Publication Scheme.pdf	Yes	Yes		
3.48	FCPC - Retention Of Documents	Unknown	FCPC Records Retention Schedule 2021.pdf	Yes	Yes		
3.50	FCPC - Scheme of Delegation	June 2020	FCPC Scheme of Delegation 2020.pdf	Yes	Yes		
3.51	FCPC - Social Media Policy	March 2021	FCPC Social Media Policy 2021.pdf	Yes	Yes		
3.52	FCPC - Training Policy	December 2021	FCPC Training Policy 2021.pdf	Yes	Yes		

3.2 Councillor Code of Conduct							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.21	FCPC - Code of Conduct	01 May 2018	FCPC Code of Conduct.pdf	Yes	Yes		
3.22	FCPC - Councillor Responsibilities	December 2021	FCPC Councillor Responsibilities 2021.pdf	Yes	Yes		
3.23	FCPC - Gifts and Hospitality Policy	December 2021	FCPC Gifts and Hospitality Policy 2021.pdf	Yes	Yes		
3.24	FCPC - Guidance On Code of Conduct			Yes	Yes		
3.25	FCPC - List of member interests held			Yes	Yes		

3.3 Agendas signed, informative and displayed with a clear 3 days notice							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.31	FCPC - Extraordinary Meeting Agenda	07 April 2021	20210407 Fenny Compton PC Extraordinary Agenda.pdf	Yes	Yes		
3.32	FCPC - Monthly Meeting Agenda	26 April 2021	20210426 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.33	FCPC - Monthly Meeting Agenda	17 May 2021	20210517 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.34	FCPC - Annual Meeting Agenda	17 May 2021	20210517 Fenny Compton PC Annual Meeting Agenda.pdf	Yes	Yes		
3.35	FCPC - Monthly Meeting Agenda	21 June 2021	20210621 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.36	FCPC - Monthly Meeting Agenda	19 July 2021	20210719 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.37	FCPC - Monthly Meeting Agenda	20 September 2021	20210920 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.38	FCPC - Monthly Meeting Agenda	18 October 2021	20211018 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.39	FCPC - Monthly Meeting Agenda	15 November 2021	20211115 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.40	FCPC - Monthly Meeting Agenda	13 December 2021	20211213 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.41	FCPC - Monthly Meeting Agenda	17 January 2022	20220117 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.42	FCPC - Monthly Meeting Agenda	21 February 2022	20220221 Fenny Compton PC Agenda.pdf	Yes	Yes		
3.43	FCPC - Monthly Meeting Agenda	28 March 2021	20220328 Fenny Compton PC Agenda.pdf	Yes	Yes		

3.5 Minutes signed, pages numbered & reviewed for unusual activity							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.51	FCPC - Extraordinary Meeting Minutes	07 April 2021	20210407 Fenny Compton PC Extraordinary Minutes.pdf	Yes	Yes		
3.52	FCPC - Monthly Meeting Minutes	26 April 2021	20210426 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.53	FCPC - Monthly Meeting Minutes	17 May 2021	20210517 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.54	FCPC - Annual Meeting Minutes	17 May 2021	20210517 Fenny Compton PC Annual Meeting Minutes.pdf	Yes	Yes		
3.55	FCPC - Monthly Meeting Minutes	21 June 2021	20210621 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.56	FCPC - Monthly Meeting Minutes	19 July 2021	20210719 Fenny Compton PC Extraordinary Minutes.pdf	Yes	Yes		
3.57	FCPC - Monthly Meeting Minutes	20 September 2021	20210920 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.58	FCPC - Monthly Meeting Minutes	18 October 2021	20211018 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.59	FCPC - Monthly Meeting Minutes	15 November 2021	20211115 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.60	FCPC - Monthly Meeting Minutes	13 December 2021	20211213 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.61	FCPC - Monthly Meeting Minutes	17 January 2022	20220117 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.62	FCPC - Monthly Meeting Minutes	21 February 2022	20220221 Fenny Compton PC Minutes.pdf	Yes	Yes		
3.63	FCPC - Monthly Meeting Minutes	28 March 2021	20220328 Fenny Compton PC Minutes.pdf	Yes	Yes		

4.0 Payroll & Employees							
4.1 Payroll Clerk							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
4.11	Annual Pension statement sent to pension provider			Yes	Yes		
4.12	Contract of employment			Yes	Yes		
4.13	Has the council approved the salary to be paid			Yes	Yes		
4.14	Monthly pension statements sent to provider			Yes	Yes		
4.15	Other payments reasonable and approved by the Council			Yes	Yes		
4.16	P60 Issued			Yes	Yes		
4.17	PAYE & NI Evidence			Yes	Yes		
4.18	Payslips issued			Yes	Yes		
4.19	Pension payments made			Yes	Yes		
4.20	Software package for salary or external			Yes	Yes		
4.21	Tax code issued			Yes	Yes		
4.22	Who calculates the monthly pay and process for review			Yes	Yes		

Payroll / Staff Standing Orders & Procedures							
4.3	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	4.301	FCPC - Appraisal Policy			Recommended	Yes	
	4.311	FCPC - Contract of Employment			Yes	Yes	
	4.321	FCPC - Discipline and Grievance Policy			Recommended	Yes	
	4.331	FCPC - Job Description			Yes	Yes	
	4.341	FCPC - Staff Handbook			N/A	Yes	
	4.351	FCPC - Staff Disciplinary Procedure			Recommended	Yes	

5.0 Charities							
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	5.1	Charities reported and accounted for separately			N/A	Yes	
	5.2	Have the charity accounts been seperately audited			N/A	Yes	
	5.3	Have the charity accounts and Annual Rreturn been filed within the legal time limits			N/A	Yes	

6.0 Burial Authorities							
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	6.01	FCPC - Burial Ground Regulations		FCPC Rules for Burial Ground.pdf	Yes	Yes	
	6.02	FCPC - Burial of Non Residents Policy			Yes	Yes	
	6.03	FCPC - Cemetery Policy Rules & Fees			Yes	Yes	
	6.04	Payments recieved agrees with burials in the financial year			Yes	Yes	
	6.05	Fees levied as per the councils agreed scale of fees			Yes	Yes	
	6.06	Are the Statutory Records correct			Yes	Yes	
	6.07	Do all interment of ashes have a certificate of creation			Yes	Yes	
	6.08	Have the necessary permits, permissions and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved.			Yes	Yes	

7.0 Parish Council Website							
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	7.01	FCPC - Accessibility Statement re Website			Yes	Yes	
	7.02	Has the Transparency Code For Small Authorities reuirements been met and the following been published:			Yes	Yes	
	7.03	1-all items of expenditure above £100			Yes	Yes	
	7.04	2-end of year accounts			Yes	Yes	
	7.05	3-annual governance statement			Yes	Yes	
	7.06	4-internal audit report			Yes	Yes	
	7.07	5-list of councillor or member responsibilities			Yes	Yes	
	7.08	6-the details of public land and building assets			Yes	Yes	
	7.09	7-Minutes, agendas and meeting papers of formal meetings			Yes	Yes	
	7.10	If not applicable has letter to the external auditor been issued			Yes	Yes	