

Internal Audit Report

For

Fenny Compton Parish Council

Year Ended 31 March 2024

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 Best Practice Guide for Internal Audit issued in March 2023.

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.

Introduction

The audit was undertaken during April and May 2024. A detailed schedule of the items covered is attached in Appendix 1.

Section 1 – Bookkeeping and Financial Records

Fenny Compton Parish Council uses an Excel spreadsheet for recording its 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 spreadsheet and in an accurate and timely manner.

1. transaction level detail has been reviewed including the budget heading classifications and no anomalies were found
2. a random sample of the transactions were cross referenced to the minutes and no concerns were raised
3. all receipts and payments are properly accounted for
4. the VAT returns have been submitted in an accurate and timely manner
5. there was no Section 137 expenditure recorded for the financial year ended 31 March 2024
6. a schedule of assets was reviewed and no issues were found.

Section 2 – Petty Cash and Limited Assurance Review.

It will be noted that in the Internal Audit Report 2023/24 of the AGAR Return 2023/24 Part 3, I have marked item F and K as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Fenny Compton Parish Council it means that there is no petty cash, neither is item K applicable to Fenny Compton Parish Council. A letter to Moore UK to that effect has been provided for submission to the external auditor. Appendix 2.

Section 3 – Budget and Precept.

It was noted that the budget was formally adopted, and that the precept request was approved by full Council.

The Clerk/RFO prepares a budget monitoring report for Councillors on a regular basis, and this is good practice.

Section 4 – Bank Account

The bank mandate, standing orders and direct debits are reviewed on a regular basis. It is also noted that payments are input by the Clerk/ RFO and are authorised by two Councillors. The Parish Council is to be commended for instigating these processes and procedures.

Section 5 – Financial Regulations, Standing Orders and Risk Assessment

NALC has recently updated the model Financial Regulations and it is recommended that these are adopted. Following adoption, a review of all areas covered in these regulations are reviewed to ensure compliance.

The minutes and agendas were reviewed for unusual activities, and none were found. Agendas were properly signed, and they and the minutes were published in a timely manner.

The Risk Assessment has been reviewed and is considered appropriate for Fenny Compton Parish Council.

Section 6 – Insurance

The insurance policy has been properly reviewed by the Parish Council and the insured values are deemed as appropriate.

It is noted that the policy includes Public Liability and Employee Liability insurance.

Section 7 - Payroll

A review of the process and procedures adopted shows that the process is well understood by the RFO, and all returns are submitted on time and in an accurate manner.

Section 8 – Staff Contracts, Job Descriptions and Staff Related Procedures

It is noted that all employees have formal contracts of employment, job descriptions and that the policies specifically covering employees have been adopted.

Section 9 – Due Process

It was noted that the policies and procedures that have been adopted are appropriate for Fenny Compton Parish Council.

It is recommended that all policies and procedures are reviewed at least every two years.

Section 10 – Councillors Code of Conduct

It is noted that the Parish Council has adopted the code of conduct recommended by the Local Government Association. Councillor's responsibilities have been agreed and are displayed on the Parish Council's website. This is good practice.

Section 11 - Charities

Not applicable

Section 12 – 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 13 - Parish Website

The Parish Council is to be commended for the look and feel of the website. All of the information and documentation is presented in a logical manner, and it is very easy for a visitor to the website to find the information that they need.

The Parish Council is to be commended for having a [gov.uk](https://www.gov.uk) domain name and should encourage all Councillors to have a [gov.uk](https://www.gov.uk) email address for Parish Council business.

Conclusion

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

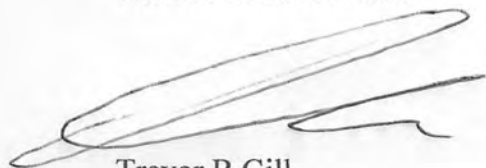
Whilst reviewing the processes, documentation, and finances it is very apparent that the affairs of the Parish Council are in very safe hands. The Clerk & Responsible Financial Officer has implemented a high standard of internal control and documentation and fully understands the governance and financial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

Internal Audit for Fenny Compton Parish Council

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

In the Internal Auditor Section of the AGAR item F relating to petty cash been has been marked as not It will be noted that in the Internal Audit Report 2023/24 of the AGAR Return 2023/24 Part 3 the I have marked item F and K as Not Covered. This does not imply that there is anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Fenny Compton Parish Council it means that there is no petty cash, neither is item K applicable to Fenny Compton Parish Council. A letter to Moore to that effect has been provided for submission to the external auditor - Appendix 2.

This concludes the audit.



Trevor B Gill
19th May 2024

Appendix 1

FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2024			
	Completed		
	By	Status	Date
1 - BOOKKEEPING AND FINANCIAL RECORDS			
1.1 Review the procedures for the receipt of income and payment of items and confirm that adequate controls are in place.	TBG	Yes	13/5/24
1.2 Check that the receipts and payments book is up to date and that funds are banked on a timely basis.	TBG	Yes	13/5/24
1.3 Sample check 10% vouchers, payments and receipts to ensure payments and receipts are:	TBG	Yes	13/5/24
1.31 Properly recorded;	TBG	Yes	13/5/24
1.32 Supported by independent documentation;	TBG	Yes	13/5/24
1.33 There is evidence of authorised approval	TBG	Yes	13/5/24
1.34 The correct process set out in the Financial Regulations to obtain quotes and for procurement has been followed.	TBG	Yes	13/5/24
1.4 Check to ensure that the monthly management accounts, prepared on a spreadsheet, agree to the receipts and payment book.	TBG	Yes	13/5/24
1.5 Review the year end accounts and ensure that they are materially accurate & complete:	TBG	Yes	13/5/24
1.51 The financial records and management accounts prepared by the Clerk are presented to and reviewed by the Council.	TBG	Yes	13/5/24
1.6 Where appropriate the amounts in the Balance Sheet agree with the asset register	TBG	Yes	13/5/24
1.7 Check for evidence of the existence of assets listed in the asset register	TBG	Yes	13/5/24
1.8 Check to ensure that a bank reconciliation is prepared every month and that differences are resolved on a timely basis.	TBG	Yes	13/5/24
1.9 Review the insurance cover to ensure that it is adequate for the Councils needs	TBG	Yes	13/5/24

2 - PETTY CASH & LIMITED ASSURANCE REVIEW			
2.1 If no petty cash has letter to auditors been issued	TBG	Yes	13/5/24
2.2 Is all petty cash spent recorded and supported by VAT receipts where applicable	TBG	N/A	13/5/24
2.3 Is petty cash expenditure reported to the Council	TBG	N/A	13/5/24
2.4 Is petty cash reimbursement carried out regularly	TBG	N/A	13/5/24
2.5 If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt.	TBG	N/A	13/5/24
2.6 If declared exempt, has the letter to the auditors been raised	TBG	Yes	13/5/24

3 - BUDGET & PRECEPT			
3.1 Check to see that a budget has been prepared to support the precept set by the Council	TBG	Yes	07/5/24
3.2 Ensure that the Council financial performance against budget is reviewed on a monthly basis	TBG	Yes	07/5/24
3.3 Check that forecast reserves at the end of the year to ensure that the amounts comply with the financial regulations	TBG	Yes	07/5/24

FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2024

	Completed		
	By	Status	Date
4 - BANK ACCOUNT			
4.1 Bank mandate reviewed on a regular basis	TBG	Yes	07/5/24
4.2 Review of direct debits and standing orders	TBG	Yes	07/5/24
4.3 Electronic banking payments made in accordance with the Financial Regulations.	TBG	Yes	07/5/24

5 - FINANCIAL REGULATIONS, STANDING ORDERS and RISK ASSESSMENT			
5.1 Review the Standing Orders, Financial Regulations and The Council's risk assessments and advise the Council of any omissions or any necessary revisions required;	TBG	Yes	07/5/24
5.2 Check Section 137 purchases have been identified and do not exceed limits	TBG	Yes	07/5/24
5.3 Ensure that any loans raised during the last financial period complied with the Financial regulations	TBG	Yes	07/5/24
5.4 Check minutes for any unusual activity.	TBG	Yes	07/5/24
5.5 Check agendas for signatures and timely publication	TBG	Yes	07/5/24
5.6 Is there evidence that the bank reconciliation has been undertaken in a regular basis and this has been reviewed and recorded as such in the minutes	TBG	Yes	07/5/24

6 - INSURANCE			
6.1 Evidence of insurance review	TBG	Yes	07/5/24
6.2 Evidence of Public and employee liability insurance	TBG	Yes	07/5/24
6.3 Inspected for risk and up to date inspection records exist	TBG	Yes	07/5/24

7 - PAYROLL			
7.1 Check calculation of wages and salaries and PAYE	TBG	Yes	07/5/24
7.2 Review the arrangements for the taxation of wages and salaries	TBG	Yes	07/5/24
7.3 Check annual salary reviews have taken place.	TBG	Yes	07/5/24
7.4 Employees offered pensions arrangements	TBG	Yes	07/5/24
7.5 Payslips, P60's and P45 issued in accordance with HMRC guidelines	TBG	Yes	07/5/24

8 - STAFF CONTRACTS JOB DESCRIPTIONS AND STAFF RELATED PROCEDURES			
8.1 Has the Clerk & Responsible Financial Officer been appointed	TBG	Yes	07/5/24
8.2 Contract of Employment and Job Description agreed	TBG	Yes	07/5/24
8.3 Annual appraisals undertaken	TBG	Yes	07/5/24
8.4 Discipline and Grievance Policy	TBG	Yes	07/5/24

FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2024

	Completed		
	By	Status	Date
9 - DUE PROCESS			
9.1 Review policies and procedures and ensure regular reviews have been undertaken	TBG	Yes	07/5/24
9.2 Make recommendation to the Council for any new or updated policies	TBG	Yes	07/5/24

10 - COUNCILLOR CODE OF CONDUCT			
10.1 Code of Conduct	TBG	Yes	07/5/24
10.2 Councillor Responsibilities	TBG	Yes	07/5/24
10.3 Gifts and Hospitality Policy	TBG	Yes	07/5/24
10.4 List of member interests held	TBG	Yes	07/5/24

11 - CHARITIES			
11.1 Is the Parish Council is trustee of a charity	TBG	N/A	07/5/24
11.2 Charities reported and accounted for separately	TBG	N/A	07/5/24
11.3 Have the charity accounts been separately audited	TBG	N/A	07/5/24
11.4 Have the charity accounts and Annual Return been filed within the legal time limits	TBG	N/A	07/5/24

12 - BURIAL AUTHORITY			
12.1 Is the Parish Council is trustee of a burial authority	TBG	Yes	07/5/24
12.2 Has a cemetery manager been appointed	TBG	Yes	07/5/24
12.3 Have the rules and fees scales been regularly reviewed	TBG	Yes	07/5/24
12.4 Payments received agrees with burials in the financial year	TBG	Yes	07/5/24
12.5 Fees levied as per the councils agreed scale of fees	TBG	Yes	07/5/24
12.6 Are the Statutory Records correct	TBG	Yes	07/5/24
12.7 Do all internment of ashes have a certificate of creation	TBG	Yes	07/5/24
12.8 Have the necessary permits, permissions and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved.	TBG	Yes	07/5/24

**FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT
CHECKLIST - YEAR ENDED 31 MARCH 2024**

	Completed		
	By	Status	Date
13 - WEBSITE AND EMAIL ACCOUNTS			
13.1 Accessibility Statement re Website	TBG	Yes	07/5/24
13.2 Has the Transparency Code For Small Authorities requirements been met and the following been published:	TBG	Yes	07/5/24
13.3 Are the policies, procedures minutes and agendas published in a timely manner	TBG	Yes	07/5/24
13.4 Is the financial information published in a timely manner including the year end requirements	TBG	Yes	07/5/24
13.5 Are the Councillors responsibilities published on the website	TBG	Yes	07/5/24
13.6 Has the NALC recommendation re the use of gov.uk been implemented	TBG	Yes	07/5/24

Appendix 2

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Friday, May 17, 2024

Mrs L Cox
Responsible Financial Officer and Parish Clerk
Fenny Compton Parish Council

For The Attention of Moore UK

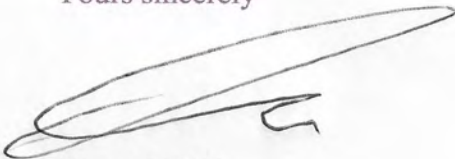
Internal Audit of Fenny Compton Parish Council for the year 2023-
2024

It will be noted that in the Annual Internal Audit Report 2023/24 page 3 for Fenny Compton Parish Council, the internal report item F has been marked by the internal auditor as "Not Covered."

In accordance with the instructions at the bottom of that page marked **Note., this letter confirms that Fenny Compton Parish Council holds no petty cash.

If I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely



Trevor B Gill

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9th May 2024

Mrs L Cox
Responsible Financial Officer and Parish Clerk
Fenny Compton Parish Council

For The Attention of Moore UK

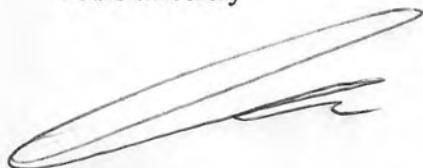
Internal Audit of Fenny Compton Parish Council for the year 2023-2024

It will be noted that in the Annual Internal Audit Report 2023/24 page 3 for Fenny Compton Parish Council, the internal report item K has been marked by the internal auditor as Not Covered.

Fenny Compton Parish Council certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt.

If I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor B Gill', written over a light blue horizontal line.

Trevor B Gill