

Internal Audit

Swerford Parish Council

Year Ending 31 March
2022

Internal Auditor: Lisa Wilkinson

Summary Checklist Report

This internal audit report is based upon the Practitioners' Guide to Governance and Accountability in Local Authorities.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2022

Name of Council	Swerford Parish Council	Name of Clerk to the Council	William Haddon
No. Of Councillors	4	Name of RFO	Gavin Strachan
Quorum	3	Precept (for audit year)	£3200
Electorate	130 (approx.)	Gross budgeted income	£3207

1. Book-Keeping			Comments & Recommendations
1.1	Ledger maintained & up to date?	Yes	The accounts are kept on an Excel spreadsheet and broken down into codes. They were balanced and up to date for Year End
1.2	Arithmetic correct?	Yes	Checks of the accounting confirmed that the cashbook arithmetic was correct.
1.3	Evidence of internal control?	Yes	<ul style="list-style-type: none"> • Internal audit • Risk assessment • Budgetary control and monitoring • Bank reconciliations
1.4	VAT evidence, recording and reclaimed?	Yes	The Council is able to recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is now made annually. The VAT reclaim of £111.66 was received in May 2022 Testing indicated that VAT on income and expenditure had been correctly applied.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	See Detailed schedule in Compliance Testing Report. All payments are authorised in the minutes.
1.6	Is GPC expenditure separately recorded and within statutory limits?	Yes	See S137 notes 3.8
1.7	Is GPC expenditure of direct benefit to the electorate?	Yes	All S137 expenditure incurred in the current financial year was in respect of activities relevant to the parish – donation to British Legion

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2. Due Process			Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes	The Council reviews the Standing Orders bi-annually.
2.2	Standing Orders reviewed at Annual Meeting?	Yes	Standing Orders were reviewed and approved at the November 2020 meeting. Recommend annual review of standing orders (using latest NALC version for any updates)
2.3	Financial Regulations adopted?	Yes	Last review was November 2020 as minuted and displayed on website. Recommend <i>annual</i> review of financial regulations (using latest NALC version for any updates). An annual review is stated in the financial regulations item 17.1.
2.4	Financial Regulations properly tailored to Council?	Yes	The current Financial Regulations are based on the NALC model Financial Regulations and adapted to suit the specific needs of the Council.
2.5	Equal Opportunities policy adopted?	No	.
2.6	RFO appointed?	Yes	Gavin Strachan is the RFO (volunteer)
2.7	List of member's interests held?	Yes	The Clerk maintains and updates the list of member's interests as required.
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	The clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and on notice boards three clear days in advance of the meetings
2.9	Purchase orders raised for all expenditure?	Yes	Most orders for goods and services are made by or confirmed by email.
2.10	Purchasing authority defined in Financial Regulations?	Yes	The Standing Orders (4.7.2) stipulate the purchasing approval: under £500 minuted authority, £500 - £1999 plus 2 quotes, over £2000 plus 3 quotes. Recommend add this to financial regulations for completeness
2.11	Legal powers identified in minutes and/or ledger?	No	Recommend legal powers are recorded on invoices and /or in minutes.
2.12	Committee terms of reference exist and have been reviewed?	No	No committees are in operation.

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3. Risk Management			Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	No	Minutes are prepared for all meetings of the Council. No unusual financial activity was found in the minutes reviewed; Council minutes are available to view on the Council's website.
3.2	Is an annual risk assessment carried out?	Yes	The Council has a formal risk assessment policy in place covering many of the areas of risk the Council may be faced with. The risk assessment policy is maintained by the Clerk and reviewed annually - reviewed and minuted May 2021.
3.3	Is Insurance cover appropriate and adequate?	Yes	The level and range of insurance cover (£10m public) appears to be adequate for the size of the Council.
3.4	Evidence of annual insurance review?	Yes	The insurance is renewed annually on 31 May. Insurance cover is currently placed with Came & Co. The Clerk undertakes a review of insurances prior to renewal to ensure that best value is obtained in respect of service levels and premiums. A long-term agreement has since been taken out with Gallagher. Minuted 18/8/21
3.5	Internal financial controls documented and evidenced?	Yes	Stipulated in the Standing Orders, Financial Regulations and Risk Management and minutes
	Review of effectiveness of internal control	Yes	18/8/2021 The review should be designed to assure the authority that it has maintained the standards of an adequate and effective internal audit of its risk management, control and governance processes. It should include, as a minimum, making an assessment of each of the following: <ul style="list-style-type: none"> • the scope of internal audit; • independence; • competence; • relationships with the clerk and the authority; and • audit planning and reporting.
3.6	Minutes initialled, each page identified and overall signed?	Yes	Minutes of all Council meetings are initialled by the chair of the meeting. and all minutes are signed by the meeting chair and dated. Recommend each page of the minutes is identified by a unique page number reference
3.7	Regular reporting and minuting of bank balances?	Yes	Bank balances are presented to Council at each meeting.
3.8	S137/GPC expenditure minuted?	Yes	All expenditure is minuted and identified as S137 expenditure in the minutes. Note: S137 is £8.82 per elector for 2022/3 so there is £1146.60 to spend if required

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4. Budget			Comments & Recommendations
4.1	Annual budget prepared to support precept?	Yes	A detailed budget is prepared annually.
4.2	Has budget been discussed and adopted by Council?	Yes	The budget for the financial year being audited was reviewed and approved by the Council at its February 2020 meeting.
4.3	Any reserves earmarked?	Yes	Reserves explained in Feb 21 minutes item 6b.
4.4	Any unexplained variances from budget?	No	

4. Budget			Comments & Recommendations
4.5	Precept demand correctly minuted?	Yes	The approved precept demand of £3200 was forwarded to WODC by the deadline and was correctly minuted.

5. Payroll - Clerk			Comments & Recommendations
5.1	Contract of employment?	N/A	The PC has no employees therefore there is no contract of employment. The Clerk and RFO roles are undertaken by volunteers.
5.2	Tax code issued/contracted out?	N/A	No employees
5.3	PAYE/NI evidence?	N/A	No employees
5.4	Has Council approved the salary paid?	Yes	No salary paid as no employees

5. Payroll - Clerk			Comments & Recommendations
5.5	Other payments reasonable and approved by Council?	No	Not applicable

6. Payroll - Other			Comments & Recommendations
6.1	Contracts of employment?	No	No employees
6.2	Does the Council have employers' liability cover?		
6.3	Tax code(s) issued?	N/A	

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6.4	Minimum Wage paid?	N/A	
6.5	Disciplinary, Grievance & Complaints procedures in place?	No	

7. Asset Control			Comments & Recommendations
7.1	Does the Council keep a register of all material assets owned?	Yes	The Clerk is responsible for maintaining the asset register.
7.2	Is the asset register up to date?	Yes	The asset register was up to date. It was reviewed March 2021 but no capital items have been bought during this financial year. Recommend that the asset register is reviewed annually as if assets have been acquired in the financial year they will need to be reflected in the register.
7.3	Value of individual assets included?	Yes	All assets have an individual value on the asset register
7.4	Inspected for risk and health and safety?	Yes	Assets are kept well maintained and minuted when necessary. Play equipment checked annually by ROSPA accredited inspectors.
7.5	Land and Building asset register?	No	Land and buildings included in the Register of Assets

8. Bank Reconciliation			Comments & Recommendations
8.1	Is there a bank reconciliation for each account?	Yes	The Council holds the following bank accounts, all of which were operating at the start of the financial year; HSBC Business Current 70784923 HSBC Business Money Manager 21117785 Bank reconciliation for March 2022 for Business Current account was supplied.
8.2	Reconciliation carried out on receipt of statement?	Yes	An itemised bank reconciliation on the accounts is carried out at the end of March. This is only carried out annually as there are very few transactions during the year. A spreadsheet reconciliation is carried out for each PC meeting.
8.3	Any unexplained balancing entries in any reconciliation?	No	
8.4	Is the bank mandate up to date?	Yes	Cheques require two signatories. The mandate was reviewed in August 2021 to consider the impact of Covid.

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9. Year-End Procedures			Comments & Recommendations
9.1	Year-end accounts prepared on correct accounting basis?	Yes	Day to day and year-end accounts are prepared on an Income & Expenditure basis.
9.2	Bank statements and ledger reconcile?	Yes	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31st March was prepared and reviewed and approved by the Council.
9.3	Underlying financial trail from records to presented accounts?	Yes	The accounting system provides a satisfactory audit trail to the underlying financial records.
9.4	Where applicable, debtors and creditors properly recorded?	N/A	
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the AGAR (Annual Return)?	Yes	For year 2020-21, Section 1-Annual Governance Statement, Section 2-Accounting Statement and Certificate of Exemption were signed and minuted by Council on 21/06/2021.

10. Miscellaneous			Comments & Recommendations
10.1	Have points raised at the last internal audit been addressed?	Yes	Thank you for addressing all the issues. I can see that a lot of work has been put in over the last year.

10. Miscellaneous			Comments & Recommendations
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	
10.3	Is eligibility for the General Power of Competence properly evidenced?		N/A
10.4	Are all electronic files backed up?	Yes	Records (paper copies) are kept securely at the homes of the clerk and the RFO.
10.5	Do arrangements for the public inspection of records exist?	Yes	The Transparency Act requires a significant amount of Council data to be available on the Council's website. Notice of audit is displayed as per external audit instructions. Outside of this period, inspection of records can be undertaken by prior appointment.

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11. Charities			Comments & Recommendations
11.1	Charities reported and accounted separately?	N/A	
11.2	Have the Charity accounts been separately audited?	N/A	Not required.
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	N/A	

12. Burial Authorities			Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	N/A	PC is not a burial authority
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A	
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	N/A	
12.4	Do all internment of ashes have a certificate of cremation?	N/A	
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	N/A	

13. Income Controls			Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The precept was received in the following instalments and recorded in the accounts: April 2021: £1,600 (50% of annual precept). September 2021: £1,600 (50% of annual precept) The total precept received was £3200 as per the WODC notification
13.3	Are security controls over cash adequate and effective?	Yes	No cash is received. Only income is precept and bank interest.

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14. Petty Cash			Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	No petty cash is used
14.2	Is petty cash expenditure reported to Council?	N/A	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

15. Accessibility/Transparency			Comments & Recommendations
15.1	Are the following documents published on the website as per Transparency Code 2015: <ul style="list-style-type: none"> • All items of expenditure above £100 • End of year accounts • Annual governance statement • Internal audit report • List of a councillor or member responsibilities • The details of public land and building assets • Minutes, agendas and meeting papers of formal meetings 	Yes	All displayed as required.
15.2	Is the website accessible as per The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018?	Yes	A website hosted by Netwise, a specialist Local Council provider, is used
15.3	Has an Accessibility Statement been published on the website?	Yes	

16. Freedom of Information/GDPR			Comments & Recommendations
16.1	Is the Council registered with ICO?	Yes	

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16.2	GDPR: Freedom of Information scheme Data Protection policy Retention and Disposal of Documents policy Privacy Notice	Yes No No Yes	<i>Recommend</i> Data Protection and Retention and Disposal of Documents policies are adopted in line with GDP Regulations. Example policies can be provided or found on the OALC website if desired.
15.3	Are the above documents published on the Council's website?		Privacy Notice and FOI scheme are displayed.

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<u>Check No.</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>Transaction type</u>	Purchase invoice	Purchase invoice	Purchase invoice
<u>Supplier/Customer</u>	ROSPA Play Safety	Maggie Chaplin	Shell Holywell
<u>Invoice/Transaction No.</u>	57767	NL6	
<u>Invoice/Transaction date</u>	11/08/2021	19/02/2021	12/08/2021
<u>Goods/services supplied</u>	Annual inspection of playground	Village newsletter	Petrol for mower
<u>Ledger date</u>			
<u>Item/Budget heading</u>	Playfield Inspection/Repair	Newsletter	Mower petrol
<u>Ref/cheque No.</u>	100419	100426	100421
<u>Authorised by</u>	2*authorised signatories	2*authorised signatories	2*authorised signatories
<u>Delivery evidence</u>	Councillor checked	Councillor checked	Councillor collected
<u>Payment minute ref</u>	August 2021	25/5/22	
<u>Payment value</u>	£82.20	£100	£31.35
<u>Bank Statement value</u>	£82.20	£100	£31.35
<u>Payment Date</u>	15/08/2021		15/08/2021
<u>Timely payment</u>	Yes	Yes	Yes
<u>VAT recorded</u>	£13.70	n/a	£6.27
<u>GPC recorded in ledger</u>	n/a	n/a	n/a
<u>GPC minuted</u>	n/a	n/a	n/a
<u>Notes</u>			Repay Colin Ford
<u>Pass</u>	√	√	√

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Any further comments

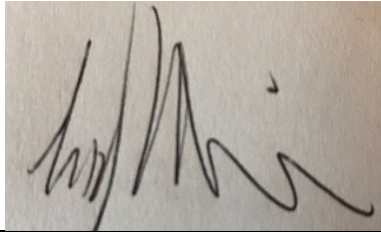
The overall internal audit assurance rating is: VERY GOOD.

Recommend that when update policies are posted on the website then the old versions are removed to reduce confusion.

Recommend that pages of minutes are consecutively numbered to safeguard the integrity of the minutes and to aid retrieval of any decision/resolution.

Acknowledgments

The help and co-operation of Gavin Strachan, RFO to the Council is much appreciated by the internal auditor.

Internal audit carried out by	(signed) 	(print) Lisa Wilkinson
Audit type (delete as appropriate)	INTERIM ANNUAL	
Date	25/6/2022	

For internal auditor's use only

Part 3 of Annual Return form completed and signed	25/6/2022
Internal audit report/letter sent to Council	25/6/2022

Section 2: Compliance Testing Report for Swerford Parish Council Year

Ending: March 2021

2019/20 ANNUAL RETURN		Year Ending 31 March 2021	Year Ending 31 March 2022
1	Balances brought forward	12118	9729
2	Annual precept	3183	3200
3	Total other receipts	4	1
4	Staff costs	0	0
5	Loan interest/capital repayments	0	0
6	Total other payments	5530	1682
7	Balances carried forward	9775	11248
8	Total cash and investments	9583	11336
9	Total fixed assets and long-term assets	£ 16713	£ 16713
10	Total borrowings	£ 0	£ 0
11	The Council acts as a sole trustee for and is responsible for managing Trust funds or assets	NO	NO