

Internal Audit

Swerford Parish Council

Year Ending 31 March
2023

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 2023

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)	£3360
Electorate	130	Gross budgeted income	£3360

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 was made twice during this financial year. The VAT reclaim of £3,500.30 was applied for in August 2022 and £265.25 in March 2023 Testing indicated that VAT on income and expenditure had been correctly applied.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Partially	See Detailed schedule in Compliance Testing Report. All payments are circulated to councillors. Recommend that these are published as a list 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

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

2. Due Process			Comments & Recommendations
2.1	Standing Orders adopted and reviewed regularly?	Yes -	<p>Standing orders were reviewed at the November 2022 PC meeting and are tailored to the council.</p> <p>With reference to the following point:</p> <p style="padding-left: 40px;"><i>8.1 The Council will appoint a Clerk to the Council who may be on an employed basis. It is not deemed to be good practice to employ a Clerk who is a serving Swerford Parish Councillor and this will only occur when so required.</i></p> <p>Recommend that wording is slightly changed to ensure it is clear that a parish councillor acting as the clerk must not be employed/paid.</p>
2.2	Standing Orders reviewed at Annual Meeting?	No	Annually in November.
2.3	Financial Regulations adopted and 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.
2.4	Equal Opportunities policy adopted?	No	.
2.5	RFO appointed?	Yes	Gavin Strachan is the RFO (volunteer)
2.6	List of member's interests held?	Yes	The Clerk maintains and updates the list of member's interests as required.
2.7	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
2.8	Purchase orders raised for all expenditure?	Yes	Most orders for goods and services are made by or confirmed by email.
2.9	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
2.10	Legal powers identified in minutes and/or ledger?	No	Recommend legal powers are recorded on invoices and /or in minutes.
2.11	Committee terms of reference exist and have been reviewed?	No	No committees are in operation.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

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 17 August 2022.
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 Gallagher. The Clerk undertakes a review of insurances prior to renewal to ensure that best value is obtained in respect of service levels and premiums.
3.5	Internal financial controls documented and evidenced?	Yes	Stipulated in the Standing Orders, Financial Regulations and Risk Management and minutes Actual vs expenditure report November 2022 provided.
	Review of effectiveness of internal control	Yes	This was undertaken 17/8/2022.
3.6	Minutes initialled, each page identified and overall signed?	Partially	Minutes of all Council meetings 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	£50 to Royal British Legion.

4. Budget			Comments & Recommendations
4.1	Annual budget prepared to support precept and adopted by Council?	Yes	A budget is prepared annually. The budget for this financial year was approved 16/2/2022
4.3	Any reserves earmarked?	No	
4.4	Any unexplained variances from budget?	No	

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

4.5	Precept demand correctly minuted?	Yes	The approved precept demand of £3360 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	
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 is up to date. It was reviewed February 2023. No capital items have been bought during this financial year.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

7.3	Value of individual assets included?	Yes	All assets have an individual value on the asset register. Parish Council assets do not appreciate or depreciate so purchase price, rather than current value, needs to be stated
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 2023 was supplied.
8.2	Reconciliation carried out on receipt of statement?	Yes	Statements of receipts and payments are provided at meetings. The Council has resolved that this is sufficient to ensure financial governance due to the low number of transactions. An itemised bank reconciliation on the accounts is carried out at the end of March.
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 is currently under review.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

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	
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	<p>For year 2021-22, Section 1-Annual Governance Statement, Section 2-Accounting Statement and Certificate of Exemption were signed and minuted by Council on 27/06/2022.</p> <p>Please note approval of documents should be undertaken in the correct order:</p> <ul style="list-style-type: none"> a. Approval of accounts b. Receipt of internal audit report c. Receipt of internal audit recommendations d. Approval and signature of Section 1 of AGAR e. Approval and signature of Section 2 of AGAR <p>Signatures should be provided at the relevant meeting.</p>

10. Miscellaneous			Comments & Recommendations
10.1	Have points raised at the last internal audit been addressed?	Partially	

10. Miscellaneous			Comments & Recommendations
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	Updated August 2022
10.3	Is eligibility for the General Power of Competence properly evidenced?		N/A
10.4	Are all electronic files backed up?	Yes	The electronic data is exchanged before each PC meeting and the Chair and The Clerk keeps previous iterations. Records (paper copies) are kept securely at the homes of the clerk and the RFO.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

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.
-------------	--	------------	---

11. Charities			Comments & Recommendations
11.1	Charities reported and accounted separately?	N/A	
11.2	Have the Charity accounts been separately audited?	N/A	
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 2022: £1,6800 (50% of annual precept). September 2022: £1,680 (50% of annual precept) The total precept received was £3,360 as per the WODC notification

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

13.3	Are security controls over cash adequate and effective?	Yes	No cash is received.
-------------	--	------------	----------------------

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"> • Annual governance statement • Internal audit report • List of councillor 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
--	---------------------------------------

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

16.1	Is the Council registered with ICO?	Yes	
16.2	GDPR: Freedom of Information scheme Data Protection policy Retention and Disposal of Documents policy Privacy Notice	Yes No No Yes	Recommend 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.

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

<u>Check No.</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>Transaction type</u>	Purchase	Purchase	Purchase
<u>Supplier/Customer</u>	Netwise UK	Shell Holywell	Gallagher
<u>Invoice/Transaction No.</u>	2693	-	2191432
<u>Invoice/Transaction date</u>	22/11/22	19/3/22	10/5/22
<u>Goods/services supplied</u>	Website	Petrol for mower	Insurance
<u>Ledger date</u>	?	?	?
<u>Item/Budget heading</u>	Website	Mower maintenance	General insurance
<u>Ref/cheque No.</u>	100435	100430	100428
<u>Authorised by</u>	?	?	?
<u>Delivery evidence</u>	?	?	?
<u>Payment minute ref</u>	?	?	?
<u>Payment value</u>	238.80	27.04	654.80
<u>Bank Statement value</u>	238.80	27.04	654.80
<u>Payment Date</u>	?	?	?
<u>Timely payment</u>	Yes	Repay Colin Ford	Yes
<u>VAT recorded</u>	Yes	Yes	N/A
<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>			
<u>Pass</u>	√	√	√

Internal Audit Summary Checklist Report for Swerford Parish Council

Year Ending: 31 March 2023

Any further comments

The overall internal audit assurance rating is: GOOD.

Recommend GDPR are followed by implementing Data Protection and Retention and Disposal of Documents Policies

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

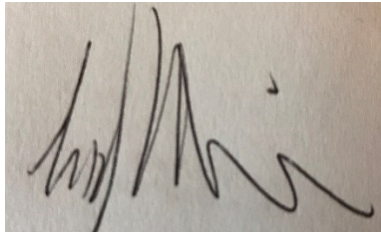
Recommend that legal powers are noted on either the invoices or in the minutes

Please ensure that payments are published either in the minutes or in an appendix to the minutes at each meeting.

Recommend using receipts and payments accounting rather than income and expenditure

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	20/6/2023	

For internal auditor's use only

Part 3 of Annual Return form completed and signed	20/6/2023
Internal audit report/letter sent to Council	20/6/2023

Section 2: Compliance Testing Report for Swerford Parish Council Year

Ending: March 2023

2019/20 ANNUAL RETURN		Year Ending 31 March 2021	Year Ending 31 March 2022
1	Balances brought forward	9729	11248
2	Annual precept	3200	3360
3	Total other receipts	1	15525
4	Staff costs	0	0
5	Loan interest/capital repayments	0	0
6	Total other payments	1682	20357
7	Balances carried forward	11248	9776
8	Total cash and investments	11248	9776
9	Total fixed assets and long-term assets	16463	16463
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