

INTERNAL AUDIT OF FALFIELD PARISH COUNCIL YEAR ENDING 31ST MARCH 2022

By Daphne Dunning Clerk and Responsible Financial Officer Cromhall parish council

FINANCE		Comments
Confirm that the Parish Council has adopted and recently reviewed Financial Regulations	<i>Check that there are a set of Financial Regulations (in addition to those in the Standing Orders). Check the date of their adoption and that there was a record made in the minutes Check that the most recent review date was within the current financial year</i>	Reviewed and adopted July 2021 (Minute ref 1413/21.3.) in line with JPAG Practitioners guide 2022, (assertion 2 no 1.14 page 9). Posted on website https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2021/07/FPC-Financial-Regulations-reviewed-July-2021.pdf FR11h details process for contracts below £25,000 £24999 – £3001 3 quotations and £3000 - £300 strive to obtain 3 estimates. No conflict with SO18
Check that the council's Financial Regulations are being routinely followed by tracking some sample payments 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.	<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>	Budget for 2021/22 and precept set and approved by full council 17/11/21 ref 1293/20.4 VAT for 2020/21 reclaimed and reported meeting 15th June 2021 In line with FR 11h three quotations were obtained for fencing. Invoice check:

		All invoices checked by two councillors and cheque book stubs initialled. Hall rental £84.00 Approved 15/6/21 ref1395/21.3, paid by cheque 1013. Cleared 28/06/21 South Gloucestershire Council Localism charges £104.11 Approved 8/09/21 ref1425/21.3, paid cheque 1020. Cleared 23/09/21 Royal British Legion donation £80 Approve 8/09/21 by resolution ref1425/21.4, paid by cheque 1023. Cleared 14/10/21 James Carpenter £548.37 March pay included £77 back pay for 20/21 pay rise. Paid by cheque 1035. Cleared 17/03/22
All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted	<i>Check the minutes</i> <i>Compare the bank statement against (bi)monthly financial statement to council</i>	Financial report presented at each meeting and included the bank reconciliations supported by bank statements. Payments are recorded in the minutes each month eg 22nd April 2021. For transparency it is good practice to record in the minutes which councillors

			signed the authorised payments. Whilst the March 2022 minutes ref: 485/22.3.1 recorded approval by council to pay the 21/22 pay award at 19p/hour, the actual back pay payable was not included in the payments list.
All items of expenditure over £100 are listed on the council's website	a. date the expenditure was incurred, b. summary of the purpose of the expenditure c. amount d. Value Added Tax that cannot be recovered.	Website Transp. Code	Each month minutes record expenditure including name of payee, purpose, net amount and VAT. Spending over £100 detailed on website https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2022/02/Payments-in-excess-of-100-for-21-22.pdf
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>		As noted above, cheques are signed by two councillors, invoices are checked against cheque and initialled and cheque stubs are initialled
Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit	<i>You will need to check the number of the electors in the parish and times this figure by the annual financial limit - 2021-22 is £8.41 per elector</i>		8th September 2021 minutes ref 1425/21/4 records £80 donation for poppy appeal but not noted as S137 payment which is good practice. Minutes 15/2/22 ref: 1470/22.6.1. £100 for 5Alive

			appropriately noted as made under section 137 of the Local Government Act 1972, which in the opinion of the Council, is in the interests of the area of its inhabitants. Amounts are correctly recorded in separate S137 accounts column. Total electors confirmed at 470 as at 04/21 - spending is within S137 limits
--	--	--	--

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>		No finance committee/group. Monthly financial reports are approved by full council and minuted eg minutes 20th July 2021 ref 1410/21/1. These comprehensive reports include payments, reconciliations, bank statements and comparison of receipts/payments to budget.
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:</i> <i>a) a copy of the bank reconciliation for the relevant financial year,</i> <i>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</i> <i>c) an explanation of any differences between 'balances carried forward' and 'total cash and short-term investments', if applicable.</i>	Website Transp. Code	All the following are referenced to minutes 04/05/21 ref and posted on the website 1377/21.1 – 21.6. 2020/21 Annual governance and statement of accounts both approved in correct order by council and signed appropriately. Internal audit considered and noted by council. Exemption certificate duly signed. Annual bank reconciliation completed. Explanation of variances contained in annual report. Explanation of high reserved published. S137 spending detailed in annual report and shows this is within limits. Notice of public rights appropriate Period of Exercise of Public Rights noted in minutes as 21st June 2021 to 30th July 2021. Complies with transparency code requirements although it is good practice to publish the internal audit report and conclusion of audit 2021/22 AGAR Accounting Statement figures are arithmetically correct.
Check the Annual Governance Statement	<i>According to the format included in the Annual Return</i>	Website Transp. Code	No issues to address from annual governance statement
Review the Assets Register and insurance policies, confirm renewal has	• <i>Public liability</i> • <i>Employers liability</i> • <i>Council assets</i>		20th July 2021 minutes 1413/21.4 updated Asset Register. 1413/21.5 asset inspection by clerk and 2 councillors. Asset register on website https://falfieldparishcouncil.org.uk/wp-

taken place (i.e. paid) & make a note of each coverage limit	Fidelity Guarantee Insurance (To cover employee dishonesty)		content/uploads/sites/18/2021/07/Asset-Register-July-2021-Issue-9-approved-.pdf Insurance renewed by council meeting 4 th May 2021 ref: 1376/21.3 at cost £218 from 1/06/21. Policy seen - Ecclesiastical through Came and Co. £10M Public and Employers liability insurance. £150K fidelity, expiry date 31st May 2022
Check the details of public land and building assets	a) description (what it is, including size/acreage), b) location (address or description of location), c) owner/custodian, e.g. the authority or board manages the land or asset on behalf of a local charity, d) date of acquisition (if known), e) cost of acquisition (or proxy value), and f) present use.	Website Transp. Code	Fully detailed in Asset Register as above and recorded in annual transparency report https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2021/07/FPC-Annual-Transparency-Report-2020-2021-.pdf
PROCESSES			
Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months	Check the date of adoption. Also that the last review date is within the past year and recorded in the minutes		Reviewed and adopted Standing Orders July 2021 (minute ref 1413/21.3.) in line with JPAG Practitioners guide 2022, (assertion 2 no 1.14 page 9 Standing Orders contains appropriate standing order for contracts. Posted on website https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2021/07/FPC-Standing-Orders-Reviewed-July-2021.pdf
Check the draft minutes of the last meeting(s) are on the council's website Check that the minutes of previous meetings are the		Website Transp. Code	Unapproved minutes of 15th March 2022 meeting are posted on the website marked with a 'draft' watermark on each page Check of minutes 4 th May 2021, 19 th October 2021 and 15 th February show 'draft' watermark removed, and approved versions all posted to the website water-marked 'a copy of the signed minutes is available from the clerk'.

approved version and that the draft copies have been removed			
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>	Website Transp. Code	Agenda for 15th June 2021 dated 10th June 2021 Agenda for 16th November 2021 dated 11th November 2021
Confirm that the Parish Council is compliant with the Data Protection Act 1998 and that plans are being put in place to comply with GDPR 2018	<i>Check that there is a policy document and resolution to comply recorded in minutes</i>		Data protection policy reviewed 20/07/2021 reference 1413/21.3 Website link on first page in policy does not work and email address is not up to date. Personal Data Management & Audit Policy reviewed 20/07/2021 reference 1413/21.3. Email address is not up to date. Subject Access Request Policy reviewed 20/07/2021 reference 1413/21.3. Data Breach Policy reviewed 20/07/2021 reference 1413/21.3. No breaches reported. General Privacy Notice updated May 2018 but has old email address ICO certificate ZA443654 posted to website expiry 22 July 2022 https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2021/01/Registration-Certificate-2020-2021.pdf
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>		22nd April 2021 ref: 1361/21.1 confirmed no FOI requests received for 2020/21.

Review the Risk Assessment and Management Scheme	<i>Check the last review date is within the past year and recorded in the minutes</i>		Reviewed 20/07/21 reference 1413/21.2. 19th October 2021 minutes review of signatories' ref: 1442/21.3 added signatory to NatWest Bank and 21.4 added 2 signatories to National Savings Investment Account Range of policies reviewed 20/7/21 ref 1413/21.3. Good practice to publish risk assessment.
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 councils key documents and deeds.</i>		15 th June 2021 ref 1390/21.1. Data security Council files are now being backed up and synced onto Google drive rather than copying onto SD card. The advantage to this is that back-ups are now always up to date.
Confirm the publication scheme		Website	Publication scheme reviewed 20th July 2021 – minute ref 1413/21.3 and posted on website https://falfieldparishcouncil.org.uk/wp-content/uploads/sites/18/2021/07/FPC-Model-Publication-Scheme-under-FOI-last-review-July-2021.pdf
COUNCILLORS			
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>	Website Transp. Code	Councillor names and addresses on dedicated page on the website. https://falfieldparishcouncil.org.uk/?page_id=38 All have council emails.

Check that positions that councillors hold on the council are published	<i>i.e. Chairman, Vice Chairman etc.,</i>	Website Transp. Code	Annual election of chair and vice chair recorded in annual council minutes 4 th May 2021 ref 1365/21.1 and 1366/21.1 and are noted alongside councillor's details (see above).
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>	Website & UA website Transp.Code	Link to details on South Gloucestershire council website https://council.southglos.gov.uk/ecCatDisplay.aspx?sch=doc&cat=14980
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		Website Transp. Code	Representation on outside bodies recorded in minutes 4/05/21 ref 1371/21.0 – 21.5 and are noted alongside councillor contact details.
EMPLOYEES			
Check that the Clerk and Responsible Financial Officer have signed contracts of employment	<i>The RFO may also be the Clerk. The Clerk must be on PAYE and cannot be self-employed i.e. invoicing the council for service provided.</i>		Yes seen
Check that all employees have contracts of employment.			N/A
Check the contracts of employment and PAYE records	Confirm that all employees are being paid at correct rate (in accordance with contracts/national living wage/timesheets), with all tax and NI compliance.		Pay point 7 £10.44/hr 8.5 hrs/week = £384.54 as per pay shown in accounts, monthly finance report and minutes. Rates above National Living Wage and in line with contract. Salary is prepared using HMRC basic tools. Evidence of tax payable throughout the year. Recorded on payslips and in accounts

<i>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		Below earnings thresholds for automatic 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>	Check the minutes	Minutes 15/3/22 ref 1491/22.1 reviewed and approved annual pay award for 2021/22 SCP point 7 paid March 2022.

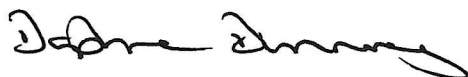
Conclusion of Internal Audit on Falfield Parish Council.

Acting Independently, I have carried out an Internal Audit of the policies and practices of **Falfield Parish Council** in order to enable positive response by the relevant assertion in Section 2 of the Annual Return for the year ending 31st 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: Daphne Dunning Clerk & RFO for Cromhall Parish Council

On behalf of ALCA internal audit team

Signed: 

Date: 04/05/2022