

Birdingbury Parish Council

Internal Audit Report for the Financial Year ending 31st March 2022

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2021/22.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on 13th May 2022.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

Book Keeping

- The financial totals as at 31 March 2021 have been brought forward accurately.
 - The cashbook is up to date.
 - The calculations are correct.
 - VAT is evidenced. The VAT of £210.96 has been reclaimed in 2021/22 and is minuted.
 - The payments have been checked and all were supported by invoices, authorised or minuted. (see page 5).
 - Income recorded in the bank account was checked to those entries shown in the cashbook.
 - The Council does not have the General Power of Competence.
 - S137 expenditure is not recorded separately.
 - There is no evidence that grants are paid.
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- **Recommendation:**
 - **I recommend that:**
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- Add a column in the cash book for section 137 expenditure.

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Due Process

- July's meeting was cancelled due to being inquorate.
 - NALC Model Standing Orders 2018 (revised 2020) were adopted in March 2022 and minuted.
 - NALC Model Financial Regulations 2019 were adopted in March 2022 and minuted. They are tailored to the council and purchasing authority is defined.
 - Birdingbury PC does not have any investments or loans.
 - There is not evidence available that 3 quotations had been received for works/services provided to the council. The Clerk confirmed that the council has used a contractor for many years and is struggling to obtain comparative quotes for the work.
 - There is evidence that monthly and quarterly financial checks have been carried out by Councillors and this is minuted.
 - The Clerk informed me that an Equal Opportunities Policy has been adopted. The policy has not been reviewed this year and is not on the website.
 - The Disclosable Pecuniary Interest Forms have not been completed for all Cllrs and all Councillors details are not on Rugby Borough Council website.
 - Signed Agendas are available on the website but not dated so I am unable to check that they are always displayed at least three clear days prior to a meeting.
 - A Councillor signs and dates the bank reconciliations on a monthly basis to confirm that bank reconciliations have been carried out accurately as part of Parish Councillor Scrutiny role.
 - The Parish Clerk signs and dates the bank reconciliations on a monthly basis to confirm that bank reconciliations have been carried out and the total of the bank account agrees to the cashbook totals.
 - Each month receipts/payments and balances are summarised and supplied to each Councillor at the meetings.
 - There is evidence that apologies are minuted.
 - Declaration of members interests are minuted.
 - The PC does not conform to the Transparency Code.
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- **Recommendation:**
 - **I recommend that:**
 - The adopted Standing Orders and Financial Regulations are uploaded to the website and reviewed annually.
 - All parish councillors DPI forms are added to the Rugby Borough Council website.
 - Agendas are dated on the day they are displayed.
 - It is good practice to seek 3 quotations for goods/services provided to the council.
 - All documents are uploaded correctly to the website in order to conform to the Local Government Transparency code for smaller authorities.
 - The Equal Opportunities policies is added to the website and reviewed.

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Risk Management

- A scan of the minutes does not reveal any unusual activity.
 - An Annual Inspection of the play equipment was carried out by Morral Play Services on the 26/8/2021 with risks deemed low. Evidence of physical monthly/weekly checks for the play equipment have not been seen.
 - An Annual Inspection of the Wheeled Sports Area was carried out on 26/8/21 with risks deemed acceptable.
 - A Health and Safety Policy is not available.
 - A Lone Working Policy is not available.
 - An Emergency Plan is not available should anything occur which would threaten the continuation of the Parish Council activities on a day to day basis, including fire or flood.
 - Minutes are consistently signed. Pages are identified. Minute references do not run consecutively across the year.
 - Financial payments are added to the Agenda and the bank balance is regularly reported.
 - The PC does not have a Risk Assessment in place.
 - The annual insurance policy is in the last year of a three-year deal. There is £10 million Public Liability and £10 million Employers Liability.
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- **Recommendation:**
 - **I recommend that:**
 - The Health and Safety Policy and Lone Working Policy is adopted and reviewed.
 - An Emergency Plan is drawn up and adopted by the council.
 - Minute references run consecutively across the years.
 - A Risk Assessment is formalised and adopted by the Parish Council.

Budget

- An annual budget is prepared, discussed and adopted by the council.
 - There is evidence that Birdingbury PC have considered the level of the precept.
 - The precept demand is approved and minuted stating the amount requested.
 - There is evidence of budget setting but there is no evidence of reserves being earmarked.
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- **Recommendation:**
 - **I recommend that:**
 - Reserves are earmarked.

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Payroll – Clerk/RFO and Caretaker

- A Contract of Employment is customised and signed.
 - The contract is not reviewed annually.
 - There is evidence that the PAYE has been paid and approved.
 - There is compliance with Minimum wage requirements.
 - There is evidence of current Employers Liability Insurance.
 - There is not evidence of a Grievance and Disciplinary procedure.
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- **Recommendation:**
 - **I recommend that:**
 - The Clerk/RFO contract is reviewed annually as per item 10.1 of the Clerks Contract of Employment.
 - A Grievance and Disciplinary procedure is drawn up and adopted by the parish council.

Asset Control

- An Asset Register for 2020/21 is available and no further assets were purchased in 2021-22. The value of individual assets are listed.

Bank Reconciliation

- There is evidence of a bank reconciliation.
 - Cheque stubs do not always have the payee filled in eg cheque numbers 000911, 000915. The cheque stubs are all initialled and amounts and dates are all correctly completed.
 - There is evidence that the bank reconciliations have been reviewed by Councillors and minuted.
 - There does not appear to be any unexplained balancing entries in the reconciliation.
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- **Recommendation:**
 - **I recommend that:**
 - The payee is always completed on the cheque stub.

Banking and Investments

- It was noted that the Parish Council has Lloyds bank account: Birdingbury Parish Council Account number XXXXX926.

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Year End Procedures

- Year end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

Misc

- The Council adopted the Rugby Borough Council Code of Conduct in 07/20. The Clerk informed me that this will be an April 22 agenda item.
- The Clerk informed me that all electronic files are backed up to the icloud.
- Arrangements are in place for public inspection of the Councils records.
- The Council is registered with ICO.
- A councillor attended a GDPR training course to further progress towards GDPR compliance.

For the year 2021/2022 an audit trail of the following cheques was carried out:-

CHEQUE NUMBER	PAYEE	AMOUNT £
000911	IONOS	68.40
000915	Mrs J Chapman	141.09
000922	Mrs J Chapman	44.80
000931	Mrs J Chapman	216.09
000940	Frank Mann	418.20
000950	Freethought Internet Ltd	120.00

Conclusion

It is my opinion that the various records and procedures in place for the Council provide an adequate standard of control.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

I would like to acknowledge the support and assistance provided by the Parish Clerk during the internal audit review.

Eleanor Choudry, CiLCA, AAT

Internal Auditor

13th May 2022

Birdingbury Parish Council