

INTERNAL AUDIT OF ROCKHAMPTON PARISH COUNCIL FOR THE YEAR ENDING 31st MARCH 2022

Carried out by Emma Pattullo, Clerk/RFO to Aust Parish Council

<i>Item</i>	<i>Checks carried out</i>	<i>Comments & recommendations</i>
FINANCE		
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) & no conflict with SO18. 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>	Financial Regs reviewed Aug 2021, minute ref. 116/21.3.1. Financial Regs do not conflict with Standing Order 18.
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 Check precept & budget were approved by council Check VAT reclaim submitted</i>	The following payments were traced from initial approval to spend (where appropriate), presentation for approval and signing of cheques: <ul style="list-style-type: none"> • BHIB Insurance premium - £188.54, minute ref. 113/21.3; invoice & cheque stub signed by two councillors; • Tony England - reimbursement for purchase of waste bin - £144.85, minute ref. 96/21.2 (approval of spend of £100) & 113/21.3 (approval of reimbursement of final amount); expenses form & cheque stub signed by two councillors; original supplier invoice attached; • 4Ward Newsletter – donation. Noted use of S137 power. Minute ref. 129/21.4 (<i>not 21.3 as noted on the payment record sheet</i>), cheque stub signed by two councillors. <p>Budget and resulting precept were approved at Nov 2021 meeting, minute ref. 129/21.5 & 129/21.5.1.</p>

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		VAT for financial year 2020/21 correctly reclaimed. No petty cash is held.
All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted	<i>Check the minutes Compare the bank statement against (bi)monthly financial statement to council</i>	Payments for approval are included in the financial statement presented to each meeting, and explicitly listed in the minutes.
All items of expenditure over £100 are listed on the council's website	<i>a. date the expenditure was incurred, b. summary of the purpose of the expenditure c. amount d. Value Added Tax that cannot be recovered.</i>	List of payments >£100 is published on the website with appropriate details.
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>	The payments checked above were correctly signed/initialled by two councillors.
Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit	<i>Check the number of the electors in the parish and times this figure by the annual financial limit - 2021-22 figure is £8.41 per elector.</i>	S137 payments are explicitly identified within the minutes and the cash book. Total amount (£120) was within statutory limit. Recommendation: as LGA1972 s137 is the "power of last resort", consideration should be given to whether donations could be made under any other power, rather than automatically putting all donations under s137.
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. Quarterly finance statements are received by full council.
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: a) a copy of the bank reconciliation for the relevant financial year, b) an explanation of any significant variances (e.g. more than 10-15 percent, in line with</i>	Statement of Accounts for 2020/21 was correctly completed, signed (minute ref. 95/21.5) and published along with accompanying bank reconciliation. Explanation of variances: this was prepared correctly but not published on the website.

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	<p><i>proper practices) in the statement of accounts for the relevant year and previous year</i></p> <p><i>c) an explanation of any differences between 'balances carried forward' (box 7) and 'total cash and short-term investments', (box 8) if applicable.</i></p> <p><i>d) details of reserves</i></p> <p><i>e) confirmation of public rights to inspect accounts</i></p> <p><i>f) declaration of exemption from external audit, if applicable.</i></p>	<p>Reserves: again, a schedule of reserves was prepared but not published. Earmarked reserves constitute 97% of total reserves.</p> <p>Action required: all supporting paperwork must be published alongside the AGAR documents in future years.</p> <p>Recommendation: the council should consider establishing a General Reserve Policy (JPAG item 1.13) and building up an appropriate level of general reserve of 3 to 12 months income (JPAG item 5.32). It is generally accepted that a level of around 12 months income (i.e. equivalent to the annual precept) is appropriate for small councils.</p> <p>Public rights notice published on website & dates minuted at 95/21.6.</p> <p>Declaration of exemption – although the council resolved at minute ref. 95/21.3 that the exemption criteria were met (i.e. that both income and expenditure for the preceding financial year were below £25k) and subsequently published a Declaration of Exemption certificate, there was no specific resolution to declare exemption from the external audit process.</p> <p>Recommendation: that in future years, a specific resolution declaring exemption is made, for example "RESOLVED unanimously</p>

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		<p>that during the financial year 20xx/yy, the higher of the authority's gross income for the year or gross annual expenditure for the year did not exceed £25,000 <i>and therefore we declare that Rockhampton PC is exempt from the external audit process"</i></p> <p>Draft Accounting Statement for 2021/2 has been checked for internal consistency and correlates with the cash book.</p>
Check the Annual Governance Statement	<i>According to the format included in the Annual Return</i>	Annual Governance Statement correctly completed & signed – minute ref. 95/21.4.
Review the Assets Register and insurance policies, confirm renewal has taken place (i.e. paid) & make a note of each coverage limit	<ul style="list-style-type: none"> • <i>Public liability</i> • <i>Employers liability</i> • <i>Council assets</i> • <i>Fidelity Guarantee Insurance</i> 	<p>Asset register approved by council in August 2021 (minute ref. 116/21.4) subject to inclusion of the newly purchased waste bin. It is noted that the published asset register still does not include the bin, nor has the value of assets (box 9) on the draft Accounting Statement for the year been updated to include the bin.</p> <p>Action required: the asset register and corresponding Accounting Statement box 9 value should be updated prior to signing off the AGAR.</p> <p>Insurance held with BHIB. Annual policy to 31st May 2022. Includes appropriate liability cover.</p>
Check the details of public land and building assets	<p><i>a) description (what it is, including size/acreage),</i></p> <p><i>b) location (address or description of location),</i></p> <p><i>c) owner/custodian</i></p>	Full asset register is published, which includes required details of land owned.

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	<i>d) date of acquisition (if known), e) cost of acquisition (or proxy value), and f) present use.</i>	
Check that appropriate arrangements are in place for monitoring of play areas, sports pitches and open spaces	<i>Check inspection schedule/reports</i>	No play areas/sports pitches are owned or managed. Maintenance of amenity land is mentioned in council minutes, where necessary.
PROCESSES		
Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months	<i>Check the date of adoption. Also that the last review date is within the past year and recorded in the minutes</i>	Standing orders adopted August 2021, minute ref. 116/21.3.1.
Check the draft minutes of the last meeting(s) are on the council's website Check that the minutes of previous meetings are the approved version and that the draft copies have been removed		Draft minutes of February meeting are published on website, along with approved versions of previous minutes. Approved minutes are marked "Signed copy available from the clerk on request".
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>	Agendas are published on the website in a timely manner.
Confirm that the Parish Council is compliant with the Data Protection Act 2018 & GDPR 2021	<i>Check that there is a policy document and resolution to comply recorded in minutes</i>	GDPR policies last adopted August 2021, minute ref. 116/21.3.1. Noted no breaches have occurred, minute ref. 116.21.1.
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>	Publication Scheme adopted August 2021, minute ref. 116/21.3.1. No minute of Fol compliance, although it is understood that no requests were received within the year. Recommendation: Fol requests received within the year should be reported to council, including minuting of a nil result if appropriate.

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Review the Risk Assessment and Management Scheme	<i>Check the last review date is within the past year and recorded in the minutes</i>	Risk Register reviewed August 2021, minute ref. 116/21.2.
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 council's key documents and deeds.</i>	All files are regularly backed up to 'Google Drive' cloud based system. Passwords are held in 'LastPass' password management system. Chairman & Vice Chairman hold the master password to access LastPass in an emergency.
Confirm the publication scheme		Publication Scheme adopted August 2021, minute ref. 116/21.3.1
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>	Councillors' names and telephone numbers published on website
Check that positions that councillors hold on the council are published	<i>i.e. Chairman, Vice Chairman etc.,</i>	Chairman, Vice Chairman are identified on the website.
Check the register of member's interests / Declaration of Interest forms	<i>Confirm that the registers of member's interests are published correctly.</i>	Registers are published on the website & on South Glos Council website.
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		Representatives on external bodies are identified on website.
EMPLOYEES		
Check that the Clerk and Responsible Financial Officer have signed contracts of employment	<i>The RFO may also be the Clerk.</i>	Clerk/RFO contract seen. The clerk has reported that a contract addendum will be issued to reflect the pay rise awarded in February 2022, though this has not been seen.
Check that all employees have contracts of employment.		No other employees.
Check the contracts of employment and PAYE records	<i>Confirm that all employees are being paid at correct rate (in accordance with</i>	Pay slips seen, generated quarterly in line with council meetings. HMRC returns completed & PAYE payments made where appropriate.

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	<i>contracts/national living wage/timesheets), with all tax and NI compliance.</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</i>	No employees are eligible for auto enrolment. Pension compliance confirmed to Pensions Regulator in March 2021.
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>	Salary increase to reflect expected NJC pay award was resolved, minute ref. 150/22.1.2.

Conclusion of Internal Audit on Rockhampton Parish Council for the year ending 31st March 2022

Acting independently, I have carried out an Internal Audit of the policies and practices of Rockhampton 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: Emma Pattullo
(Clerk/RFO – Aust Parish Council)

Signed: 

Date: 18th May 2022