

## Skelsmergh & Scalthwaiterigg Parish Council

### Internal audit report 2020-2021

FINANCE			Comments
Confirm that the Parish Council has adopted and recently reviewed Financial Regulations	<p><i>Check that there are a set of Financial Regulations (in addition to those in the Standing Orders).</i></p> <p><i>Check the date of their adoption and that there was a record made in the minutes</i></p> <p><i>Check that the most recent review date was within the current financial year</i></p>	✓	<p>Last review July 2019, on website.</p> <p>With the CV-19 lockdown, financial activity was reduced - all straightforward and compliant.</p> <p>During the lockdown - a need for online banking was identified.</p> <p><b>Action:</b> to seek further info for this.</p>
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.	<p><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></p>	✓	All provided, no vouchers.
All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted	<p><i>Check the minutes</i></p> <p><i>Compare the bank statement against (bi)monthly financial statement to council</i></p>	✓	Compliant - see minutes for each meeting.
All items of expenditure over £100 are listed on the councils website	<p><i>a. date the expenditure was incurred,</i></p> <p><i>b. summary of the purpose of the expenditure</i></p> <p><i>c. amount</i></p> <p><i>d. Value Added Tax that cannot be recovered.</i></p> <p style="margin-left: 100px;"><i>Vat Re-claim not done ✓</i></p>	<b>Website</b> Transp. Code	<p>Yes - included in the minutes per meeting.</p> <p>Action : VAT claim to eb made.</p>
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	<p><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></p>	✓	Yes, not the invoice - not required by the financial regs.
Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit	<p><i>You will need to check the number of the electors in the parish and times this figure by the annual financial limit - 2017-18 is £7.57 per elector</i></p>	✓	Would amount to >£2.5k, not got the funds for this size payout.

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>	✓	Accounts reported at all meetings and minuted.
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 proper practices) in the statement of accounts for the relevant year and previous year c) an explanation of any differences between 'balances carried forward' and 'total cash and short-term investments', if applicable.</i>	Website Transp. Code ✓	Chair to sign after the internal audit. Info provided to reconcile the accounts and explain the variances.
Check the Annual Governance Statement	<i>According to the format included in the Annual Return</i>	Website Transp. Code ✓	Last year's info published in full.
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"> <li>• <i>Public liability</i></li> <li>• <i>Employers liability</i></li> <li>• <i>Council assets</i></li> <li>• <i>Fidelity Guarantee Insurance (To cover employee dishonesty)</i></li> </ul>	✓	Insurance details - on website. Assets reported at every meeting (standing finance item).
Check the details of public land and building assets	<i>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.</i>	Website Transp. Code ✓	Insurance informed of land ownership. Claim being made for replacement Skelsmergh road sign.

<b>PROCESSES</b>			
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>	✓	Reviewed 11.09.2019.
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	✓	<b>Website</b> Transp. Code	Yes.
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>	<b>Website</b> Transp. Code ✓	Yes.
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 due for review June 2021.
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>	✓	No FOIs received.
Review the Risk Assessment and Management Scheme	<i>Check the last review date is within the past year and recorded in the minutes</i>		Last visited July 2019 - up for review this summer. On website.
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>	✓	Back=up storage to be purchased, transparency funding.
Confirm the publication scheme		<b>Website</b> ✓	Yes - Privacy policy and notice on web site.
<b>COUNCILLORS</b>			
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</i>	<b>Website</b> Transp. Code ✓	Yes, but SLDC info has not been removed for Claire Maclaine, despite many requests!

	<i>to personal email addresses</i>		
Check that positions that councillors hold on the council are published	<i>i.e. Chairman, Vice Chairman etc.,</i>	<b>Website Transp. Code</b> ✓	Yes
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>	<b>Website &amp; UA website Transp.Code</b>	Yes
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		<b>Website Transp. Code</b> ✓	Yes - CM needs to be removed, see prev point.
<b>EMPLOYEES</b>			
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
Check that all employees have contracts of employment.		✓	Yes
<i>Check the contracts of employment and PAYE records</i>	Confirm that all employees are being paid at correct rate (in accordance with contracts/national living wage/timesheets), with all tax and NI compliance.	✓	Yes
<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	<u>N/A</u>	Not eligible
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 ✓	Yes - see minute 24/20, 16 September PC meeting.

## \* Recommendations from the Internal Auditor:

Signed :- L. M. Barron Date: - 19/5/21

Name:- LYNDA MARGARET  
BARRON

- \* ① I noticed that U.A.T has still not been reclaimed. maybe check if there is a deadline for this
- ② Is there a set formula for the Clerk's expenses in regarding to calculating working from home expenses
- ③ Income from the woodland now amounts to £333.00 + £87.00 from the sale of honey - total of £420.00 -  
cash payments = £167.50 - cheque £20.00 - invoiced + paid direct into Bank = £232.50. (£420.00):  
Very difficult to document £87.00 - cash from honey - also £80.50 cash sale - not documented - could be questioned? maybe better if payments could be made direct to P.C. Bank acc, rather than John having to collect cash +  
Page 5 Perhaps a stock book would help JB.