

SKELSMERGH & SCALTHWAITRIGG PARISH COUNCIL

Internal Audit Report 2019-2020

		Comments
<p>FINANCE</p> <p>Confirm that the Parish Council has adopted and recently reviewed Financial Regulations</p>	<p>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</p>	<p>✓</p> <p>http://www.skelscalpc.org.uk/FinancialRegulations2019.pdf - dated July 2019</p> <p>July 2019 meeting minutes, item 34/19b; http://www.skelscalpc.org.uk/minjuly2019.pdf</p>
<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>	<p>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</p>	<p>✓</p>
<p>All payments are recorded in the (bi)monthly financial statement, reported by the RFO & minuted</p>	<p>Check the minutes Compare the bank statement against (bi)monthly financial statement to council</p>	<p>Finance agenda items x 7 meetings 2019-2020; bank statements provided in folder. Draft March 2020: http://www.skelscalpc.org.uk/pc_meetings.html</p> <p>January 2020: http://www.skelscalpc.org.uk/minjan2020.pdf http://www.skelscalpc.org.uk/minnov2019.pdf http://www.skelscalpc.org.uk/minsept2019.pdf http://www.skelscalpc.org.uk/minjuly2019.pdf http://www.skelscalpc.org.uk/minmay2019.pdf http://www.skelscalpc.org.uk/minapril2019.pdf</p>
<p>All items of expenditure over £100 are listed on the councils website</p>	<p>a. date the expenditure was incurred, b. summary of the purpose of the expenditure c. amount d. Value Added Tax that cannot be recovered.</p> <p>Not not as yet claimed on top of accessories.</p>	<p>Website Transp. Code</p> <p>See above published minutes Financial Officer's report for each Meeting in file. Date per item is on invoice; expenditure is the date of the PC meeting when the cheque is signed. Separate VAT list kept - in file.</p>
<p>Confirm that each payment has been signed by two councillors, who also</p>	<p>Adapt to the Local Councils own practices as detailed in their Financial Regulations e.g. electronic banking</p>	<p>Payment report and cheque book signed. ✓ From the financial regs, not need to sign the invoice: ✓</p>

<p>initialled the cheque stub & that the cheque signing councillors also initial the invoice.</p>	<p>must have adequate controls comparable to the two signature rule ✓</p>	<p>6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.</p>
<p>Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit</p>	<p>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 ✓</p>	<p>Compliant: from the 2018 register of electors, there are: 266 - Skelsmergh & 86 - Scalthwaiterigg = 352 Total section 137 spend possible: 352 x £7.86 is ~£2,767. No budget capacity for this.</p>
<p>Confirm that quarterly checks of the accounts are made by a councillor not on the finance committee / group</p>	<p>Check the minutes to ensure this was recorded and reported / minuted at a council meeting ✓</p>	<p>Accounts presented at all PC meetings under a standing Finance agenda item. See minutes.</p>
<p>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.</p>	<p>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.</p>	<p>Website Transp. Code ✓</p> <ul style="list-style-type: none"> Accounting statements, section 2 Link Bank reconciliation, Link Explanation of variances, Link No variance - balance & total cash
<p>Check the Annual Governance Statement</p>	<p>According to the format included in the Annual Return</p>	<p>Website Transp. Code ✓</p> <ul style="list-style-type: none"> Annual governance statement, section 1, Link
<p>Review the Assets Register and insurance policies, confirm renewal has taken place (i.e. paid) & make a note of each coverage limit</p>	<ul style="list-style-type: none"> Public liability Employers liability Council assets Fidelity Guarantee Insurance (To cover employee dishonesty) 	<p>f. To</p> <ul style="list-style-type: none"> PC insurance policy 14.02.2020 - 13.02.2021, Link Public Liability certificate, £10m Link Employers liability, £10m Insurance covers dishonesty Assets included on budget statement/ bank reconciliation reports to all meetings.

<p>Check the details of public land and building assets</p>	<p>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.</p>	<p>Website Transp. Code £</p> <p><i>Check these parcels of land are covered on public liability cover</i></p>	<p>Land owned by the PC:</p> <ol style="list-style-type: none"> Skelsmergh Parish Woodland: 2 acres (approx) Located off Joiners' Lane, Garth Row, Skelsmergh. Garth Row Quarry: ~ 0.11 acres located off A6 opposite above; Coldharbour Quarry; ~0.11 acres located adjacent to A6 400m. north of the above. Vested in Skelsmergh Parish Council as successor to the Commissioners for the Poor of the Parish by virtue of the Skelsmergh Selside & Whitwell Enclosure Award 1824. Acquired at nil cost. <p>All three parcels are occupied as woodland. Item 1. is designated for Community use.</p> <p>Land occupied by the PC</p> <ol style="list-style-type: none"> A parcel of riverside land occupied by licence from the Stephenson Trust as access land amounting to less than 1 acre at an annual peppercorn rent, currently being re-negotiated due to a landslip and re-routing of a public highway. Land within the highway boundary of A6 licenced for 21 Millennium Oaks
<p>PROCESSES Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months</p>	<p>Check the date of adoption. Also that the last review date is within the past year and recorded in the minutes</p>	<p>✓</p>	<p>Renewed 11.09.2019, Link Minutes, item 48/19a. http://www.skelscalpc.org.uk/minsep-t2019.pdf</p>

<p>Check the draft minutes of the last meeting(s) are on the council's website</p> <p>Check that the minutes of previous meetings are the approved version and that the draft copies have been removed</p> <p>Check that agendas for meetings are published (bi)monthly and giving 3 clear days notice</p>	<p style="text-align: center;">✓</p>	<p>Website Transp. Code</p> <p>Compliant: Link to draft minutes of last meeting</p>
<p>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</p>	<p>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</p> <p>Check that there is a policy document and resolution to comply recorded in minutes</p> <p style="text-align: center;">✓</p>	<p>Website Transp. Code</p> <p>Compliant: June agenda on website: http://www.skelscalpc.org.uk/pc_meetings.html</p> <p>Compliant: all agendas in file.</p> <p>Data Protection Policy to be reviewed on June agenda. http://www.skelscalpc.org.uk/DataProtectionPolicy.pdf</p>
<p>Confirm that the Parish Council is compliant with the Freedom of Information Act 2000</p>	<p>Check resolution to comply recorded in minutes</p> <p>Check the log of FOIs received and date responded to within the deadline</p>	<p>Compliant</p> <p>http://www.skelscalpc.org.uk/FreedomOfInformation.pdf</p>
<p>Review the Risk Assessment and Management Scheme</p>	<p>Check the last review date is within the past year and recorded in the minutes</p>	<p>Reviewed: July 2019, Minutes 34/19c</p> <p>http://www.skelscalpc.org.uk/minijuly2019.pdf</p> <p>http://www.skelscalpc.org.uk/RiskRegister2019.pdf</p>
<p>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.</p>	<p>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.</p>	<p>Clerk's laptop</p> <p>Website</p> <p>Back-up storage to be purchased - Transparency funding</p> <p style="text-align: center;">✓</p>
<p>Confirm the publication scheme</p>		<p>Website</p> <p>Privacy statements to be reviewed on June agenda.</p> <p>http://www.skelscalpc.org.uk/WebsitePrivacyNotice.pdf</p>
COUNCILLORS		
<p>Check the publication of councillor's contact details</p>	<p>Full home addresses are not compulsory but councillors must be available to be contacted directly by the public by email and/or phone</p> <p>Separate council email addresses are preferable to personal email addresses</p>	<p>Website Transp. Code</p> <p>Compliant: http://www.skelscalpc.org.uk/pc_rnem-beis.html</p>

Check that positions that councillors hold on the council are published	<i>i.e. Chairman, Vice Chairman etc.,</i>	Website Transp. Code	Compliant: http://www.skelsalpc.org.uk/pc_members.html
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	https://democracy.southlakesland.gov.uk/InqParishCouncilDetails.aspx?ID=347&LS=3
Check that representation on external local public bodies (if nominated to represent the council) of each councillor is published		Website Transp. Code	On members page, Link AGM May 2019 minutes, Link
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>	✓	Contract in folder. Annual appraisal of Clerk by Chair, see minutes for January each year. Minute 79/19a, January 2020, Link
Check that all employees have contracts of employment.			Clerk is only employee
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.</i>	✓	Link to NALC Pay scales applicable 01.04.2019. Salary point 25, 3 hours/week 01.04.2019, point 25 annual salary is 23,836. Per hour is £12.39 x 3hrs/weekx52 weeks/yr = 1,932.84/year. Bi-monthly salary = £322.14 x 6 plus £312.43 for March 2019 - total salary for 2019-2020.
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>	✓	Not applicable - salary not eligible Compliance with Pensions Regulator in file.

<p>Ensure that pay rises (if any) are agreed and minuted at the relevant meeting</p>	<p>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.</p>	<p>Check the minutes <input checked="" type="checkbox"/></p>	<p>Pay rise applicable April 2019, see above - March 2020, minute no 95/19a relates. Link</p>
--	--	--	---

Recommendations from the Internal Auditor

1. Policies are reviewed: Data protection & Privacy Notices
2. Agreement for Clerk's pay rise, as per JNC recommendations, should be made at a PC meeting and explicitly minuted

Signed:

L.M. Barron

Lynda Barron, Internal Auditor

2/6/2020

Date: