

Internal Audit Report
For
Fenny Compton Parish Council
Year Ended 31 March 2023
Internal Auditor: Trevor B Gill

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Saturday, 3 June 2023

Internal Audit for Fenny Compton Parish Council

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Internal Audit for Fenny Compton Parish Council

Basis of the Report

This internal audit report is based upon the Joint Panel on Accountability and Governance Practitioners' Guide Section 4 Best Practice Guide for Internal Audit issued in March 2023

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvements in these processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations, and applying the approach to internal audit and testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity, and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

NB: It would be incorrect to view the internal audit as the detailed inspection of all records and transactions of the Council in order to detect fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be the day-to-day function of the staff and councillors and not left for internal audit.

Internal Audit for Fenny Compton Parish Council

Introduction

The audit was undertaken during April and May 2023.

Where it was not practical to review documents, invoices, receipts, or registers, I will be pleased to review these if deemed necessary or advisable by either the Council, the Clerk / Responsible Financial Officer, (“RFO”) or if specifically requested by a member of the public. However, based upon all of reviews in my opinion this review, if requested, is unlikely uncover any major issues.

For detailed information regarding each section of the audit please refer to Appendix 1.

Section 1 – Finance & Insurance

Fenny Compton Parish Council uses an Excel spreadsheet for recording it’s financial transactions. The number of transactions is very small, and this is appropriate for a Council of this size.

All receipts and payments were properly accounted for and were reflected in the accounts and the bank accounts in an accurate and timely manner.

1. A transaction level report has been produced and this has been reviewed and no anomalies were found
2. A random sample of the transactions were cross referenced to the minutes and no concerns were raised
3. It is noted that there was no expenditure under Section 137 for the period under review. However, on reviewing the budget there is an expense category for ‘Donations to village organisations.’ As this is an agreed and specific expense this should not be allocated to Section 137, and no budget should be set for Section 137 as this should only be used for unexpected expenditure.

The Clerk and responsible Financial Officer should be commended for introducing a set of Internal Controls which are properly documented and adopted by the Parish Council.

Section 2 – Risk Management

It is noted that Fenny Compton Parish Council has adopted an Emergency Plan which will assist the community to respond to a major incident/emergency

The Risk Assessment should be to ensure that all of the risks that are relevant to Fenny Compton Parish Council and their control procedures are relevant and up to date. This is particularly important as in the unlikely event of an insurance claim the insurers would almost certainly request sight of this document.

The insurance policy which is reviewed annually is considered to be comprehensive and is recorded as reviewed and accepted.

Section 3 – Due Process

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Standing Orders

A review of the standing orders was undertaken, and it is pleasing to note that the policies and standing orders that are in place have been recently reviewed.

Standing Orders - Freedom of Information Policy

It is recommended that the Parish Council considers adopting a Freedom of Information Policy which covers the way in which Freedom of Information requests are expected to be received, any fees involved and the procedures that will be used when a request is made.

Agendas

A review noted that all agendas are of a high standard and were properly issued signed and dated.

Minutes

The minutes are of a high standard and showed no unusual items and that they are properly signed as adopted.

Section 4 – Payroll & Employees

The Payroll is administered by the Chair in conjunction with the Clerk and Responsible Financial Officer.

Section 5 – Charities

Not applicable

Section 6 – Burial Authorities

All the records, i.e., the burial registers and deeds for burial grants are maintained by the clerk and all payments in respect of burials are properly recorded in the accounts.

Section 7 - Parish Website

I have reviewed the Parish Council website and find that the requirements for the publication of information are fully met.

It is noted that for all files that are uploaded that relate to Parish Council business are in pdf format which is good practice. This considerably reduces the risk of files in other formats being downloaded and amended. In addition, files in formats other than pdf are much more difficult to view in browsers and this could lead to issues under the accessibility requirements.

It is noted that there is an accessibility statement as required under the legislation implemented under the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018.

Conclusion

Internal Audit for Fenny Compton Parish Council

Thank you for inviting me to undertake the Internal Audit for Fenny Compton Parish Council.

Whilst reviewing the processes, documentation, and finances it is very apparent that the affairs of the Parish Council are now in very safe hands. The Clerk & Responsible Financial Officer has implemented a high standard of internal control and documentation and fully understands the governance and financial requirements associated with Parish Councils. She is to be commended for the way in which she supports the needs of the Parish Council.

Where I have made recommendations above it is for the Council to consider whether they are appropriate and should be implemented.

As in previous years the section relating to petty cash in the AGAR Return Part 3 item F has been duly marked as not covered. This does not imply anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Meriden Parish Council it means that there is no petty cash. A letter covering this item has been provided in accordance with the external audit requirements.

This concludes the audit.

A handwritten signature in blue ink, appearing to read 'Trevor B Gill', is written over a light blue rectangular background.

Trevor B Gill

Appendix 1

FENNY COMPTON PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2023

Name of Council	FENNY COMPTON PARISH COUNCIL	Name of Clerk	Lydia Cox
No of Councillors		Name of RFO (if different)	As above
Quorum		Precept Amount	£27,065
Electorate numbers		Gross Income	£30,290

1.0 Finance & Insurance							
1.1 Financial Regulations & Finance Specific Policies							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.11	FCPC - Bank Mandate			Yes	Yes		
1.12	FCPC - Financial Controls Summary			N/A	Yes		
1.13	FCPC - Financial Regulations	26 April 2021	FCPC Financial Regulations.pdf	Yes	Yes		
1.14	FCPC - Internal Controls	July-2022	FCPC Internal Controls.pdf	Yes	Yes		
1.15	FCPC - Investment Policy			N/A	Yes		
1.16	FCPC - Reserves Policy	May-2021	FCPC Reserves Policy.pdf	Yes	Yes		
1.17	FCPC - RFO Appointed			Yes	Yes		
1.18	FCPC - S7 The General Power of Competence			N/A	Yes		
1.19	FCPC - Standing Orders & Direct Debits			Yes	Yes		
1.20	FCPC - Previous Year End Accounts			Yes	Yes		

1.2 Book Keeping							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.21	Arithmetically correct			Yes	Yes		
1.22	Evidence of Internal Control			Yes	Yes		
1.23	Ledger maintained and up to date?			Yes	Yes		
1.24	Payments ledger supported by invoices, authorised and minuted			Yes	Yes		
1.25	Regular reporting and minuting of bank balances			Yes	Yes		
1.26	S137 expenditure minuted			Yes	Yes		
1.27	S137 expenditure of direct benefit to electorate			Yes	Yes		
1.28	S137 separately recorded and within limits			Yes	Yes		
1.29	VAT evidence, recording and recalimed			Yes	Yes		

1.3 Bank reconciliation							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.31	Any unexplained balancing entries in any reconciliation			Yes	Yes		
1.32	Bank statements and ledger reconcile			Yes	Yes		
1.33	Evidence of quarterly reconciliation check as per Financial Regulations			Yes	Yes		
1.34	Is there a bank reconciliation for each account			Yes	Yes		

1.4 Budget and Precept							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.41	Annual budget to support the precept			Yes	Yes		
1.42	Any reserves earmarked			Yes	Yes		
1.43	Any unexplained variances against budget			Yes	Yes		
1.44	Has budget been discussed and adopted by the Council			Yes	Yes		
1.45	Precept demand correctly minuted			Yes	Yes		

1.5 Purchase Orders							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.51	Committee terms of reference exist and have been reviewed			N/A	Yes		
1.52	Legal powers identified in minutes and/or cash book			N/A	Yes		
1.53	Purchase orders raised for expenditure			N/A	Yes		
1.54	Purchasing authority defined in Financial Standing Orders			N/A	Yes		

1.6 Petty Cash							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.61	If no petty cash has letter to auditors been issued			Yes	Yes		
1.62	Is all petty cash spent recorded and supported by VAT receipts where applicable			N/A	Yes		
1.63	Is petty cash expenditure reported to the Council			N/A	Yes		
1.64	Is petty cash reimbursement carried out regularly			N/A	Yes		

1.7 Year end accounts prepared on correct accounting process							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.71	FCPC - Year End Accounts			Yes	Yes		
1.72	FCPC - Bank statements and ledger reconciles			Yes	Yes		
1.73	FCPC - Underlying financial trail from records to presented accounts			Yes	Yes		
1.74	FCPC - Where appropriate, debtors and creditors properly recorded			Yes	Yes		
1.75	FCPC - Has the council agreed, signed and minuted sections 1 & 2 of the annual return			Yes	Yes		
1.76	FCPC - AGAR Part 2			N/A	Yes		
1.77	FCPC - AGAR Part 3			Yes	Yes		
1.78	FCPC - End of Year Accounts			Yes	Yes		
1.79	FCPC - Standing Orders & Direct Debits			Yes	Yes		
1.80	FCPC - Do arrangements for public inspection of council's records exist			Yes	Yes		

1.8 Insurance cover sufficient and appropriate							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.81	FCPC - Insurance Policy	01 June 2022	20220601 Renewal Letter.pdf	Yes	Yes		
1.82	FCPC - Evidence of insurance review	01 June 2022	20220601 Public Liability Certificate.pdf	Yes	Yes		
1.83	FCPC - Evidence of Public and employee liability insurance	01 June 2022	20220601 Employers Liability Certificate.pdf	Yes	Yes		
1.84	FCPC - Fixed Assets Register	31 March 2023	FCPC Fixed Asset Register.pdf	Yes	Yes		
1.85	FCPC - Does the council keep a register of all material assets owned			Yes	Yes		
1.86	FCPC - Value of individual assets included			Yes	Yes		
1.87	FCPC - Inspected for risk and up to date inspection records exist			Yes	Yes		

2.0 Risk Management							
2.1 Annual risk assessment review							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.11	FCPC - Risk Assessment	26 July 2022	FCPC Risk Assessment.pdf	Yes	Yes		
2.12	FCPC - Risk Assessment Checklist	26 July 2022	FCPC Risk Assessment Checklist.pdf	Yes	Yes		
2.13	FCPC - Emergency Plan	16 January 2023	FCPC Emergency Plan.pdf	Yes	Yes		
2.14	FCPC - Are all electronic files properly backed up			Yes	Yes		

2.2 Previous Internal Control Reports							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.21	FCPC - Internal Audit Report	31 March 2022	20220331 FCPC Internal Audit Report.pdf	Yes	Yes		
2.22	Were recommendations from the previous Internal Audit Report implemented			Yes	Yes		

3.0 Due Process							
3.1 Standing Orders & Policies With Last Review Date							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.12	FCPC - Business Continuity Plan	December-21	FCPC Business Continuity Plan.pdf	Yes	Yes		
3.14	FCPC - Co-Option Procedure	May-21	FCPC Co Option Procedures.pdf	Yes	Yes		
3.16	FCPC - Complaints Procedure	July 2022	FCPC Complaints Procedure.pdf	Yes	Yes		
3.24	FCPC - Document Retention	Undated	FCPC Records Retention Schedule.pdf	Yes	Yes		
3.29	FCPC - Equality and Diversity Policy	January-23	FCPC Equality and Diversity Policy.pdf	Yes	Yes		
3.32	FCPC - Freedom of Information Policy			Recommended	Yes		
3.38	FCPC - Health & Safety Policy	March-21	FCPC Health and Safety Policy.pdf	Yes	Yes		
3.43	FCPC - Non Financial Standing Orders	July-22	FCPC Standing Orders.pdf	Yes	Yes		
3.47	FCPC - Privacy Notice - General	December-21	FCPC Privacy Notice.pdf	Yes	Yes		
3.49	FCPC - Publication Scheme	March-23	FCPC Publication Scheme.pdf	Yes	Yes		
3.52	FCPC - Retention Of Documents	Undated	FCPC Records Retention Schedule.pdf	Yes	Yes		
3.54	FCPC - Scheme of Delegation	July-22	FCPC Scheme of Delegation.pdf	Yes	Yes		
3.55	FCPC - Social Media Policy	July-22	FCPC Social Media Policy.pdf	Yes	Yes		

3.2 Councillor Code of Conduct							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.22	FCPC - Code of Conduct	Unknown	FCPC Code of Conduct.pdf	Yes	Yes		
3.23	FCPC - Councillor Responsibilities			Recommended	Yes	To be noted on the website	
3.24	FCPC - Gifts and Hospitality Policy	December-21	FCPC Gifts and Hospitality Policy.pdf	Yes	Yes		
3.26	FCPC - List of member interests held			Yes	Yes	On the SDC website	

3.3 Agendas signed, informative and displayed with a clear 3 days notice							
Ref	Activity	FCPC Meeting Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.31	FCPC - Ordinary Meeting Agenda	25 April 2022	20220425 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.32	FCPC - Annual Meeting Agenda	23 May 2022	20220523 Agenda FCPC Annual Meeting.pdf	Yes	Yes		
3.33	FCPC - Ordinary Meeting Agenda	23 May 2022	20220523 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.34	FCPC - Parish Assembly Agenda	20 June 2022	20220620 Agenda FCPC Annual Parish Meeting.pdf	Yes	Yes		
3.35	FCPC - Ordinary Meeting Agenda	20 June 2022	20220620 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.36	FCPC - Ordinary Meeting Agenda	18 July 2022	20220718 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.37	FCPC - Extraordinary Meeting Agenda	04 August 2022	20220804 Agenda FCPC Extraordinary Meeting.pdf	Yes	Yes		
3.38	FCPC - Ordinary Meeting Agenda	19 September 2022	20220919 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.39	FCPC - Extraordinary Meeting Agenda	10 October 2022	20221010 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.40	FCPC - Ordinary Meeting Agenda	21 November 2022	20221121 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.41	FCPC - Ordinary Meeting Agenda	12 December 2022	20221212 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.42	FCPC - Ordinary Meeting Agenda	16 January 2023	20230116 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.43	FCPC - Ordinary Meeting Agenda	27 February 2023	20230227 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		
3.44	FCPC - Ordinary Meeting Agenda	20 March 2023	20230320 Agenda FCPC Ordinary Meeting.pdf	Yes	Yes		

3.4 Minutes signed, pages numbered & reviewed for unusual activity							
Ref	Activity	FCPC Meeting Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.41	FCPC - Ordinary Meeting Minutes	25 April 2022	20220425 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.42	FCPC - Annual Meeting Minutes	23 May 2022	20220523 Minutes FCPC Annual Meeting.pdf	Yes	Yes		
3.43	FCPC - Ordinary Meeting Minutes	23 May 2022	20220523 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.44	FCPC - Parish Assembly Minutes	20 June 2022	20220620 Minutes FCPC Annual Parish Meeting.pdf	Yes	Yes		
3.45	FCPC - Ordinary Meeting Minutes	20 June 2022	20220620 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.46	FCPC - Ordinary Meeting Minutes	18 July 2022	20220718 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.47	FCPC - Extraordinary Meeting Minutes	04 August 2022	20220804 Minutes FCPC Extraordinary Meeting.pdf	Yes	Yes		
3.48	FCPC - Ordinary Meeting Minutes	19 September 2022	20220919 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.49	FCPC - Extraordinary Meeting Minutes	10 October 2022	20221010 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.50	FCPC - Ordinary Meeting Minutes	21 November 2022	20221121 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.51	FCPC - Ordinary Meeting Minutes	12 December 2022	20221212 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.52	FCPC - Ordinary Meeting Minutes	16 January 2023	20230116 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.53	FCPC - Extraordinary Meeting Minutes	27 February 2023	20230227 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		
3.54	FCPC - Ordinary Meeting Minutes	20 March 2023	20230320 Minutes FCPC Ordinary Meeting.pdf	Yes	Yes		

4.0 Payroll & Employees							
4.1 Payroll Clerk							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
4.11	Annual Pension statement sent to pension provider			Yes	Yes		
4.12	Contract of employment			Yes	Yes		
4.13	Has the council approved the salary to be paid			Yes	Yes		
4.14	Monthly pension statements sent to provider			Yes	Yes		
4.15	Other payments reasonable and approved by the Council			Yes	Yes		
4.16	P60 Issued			Yes	Yes		
4.17	PAYE & NI Evidence			Yes	Yes		
4.18	Payslips issued			Yes	Yes		
4.19	Pension payments made			Yes	Yes		
4.20	Software package for salary or external			Yes	Yes		
4.21	Tax code issued			Yes	Yes		
4.22	Who calculates the monthly pay and process for review			Yes	Yes		

Payroll / Staff Standing Orders & Procedures							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
4.301	FCPC - Appraisal Policy			Recommended	Yes		
4.311	FCPC - Contract of Employment			Yes	Yes		
4.321	FCPC - Discipline and Grievance Policy			Recommended	Yes		
4.331	FCPC - Job Description			Yes	Yes		
4.341	FCPC - Staff Handbook			N/A	Yes		
4.351	FCPC - Staff Disciplinary Procedure			Recommended	Yes		

5.0 Charities							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
5.1	Charities reported and accounted for separately			N/A	Yes		
5.2	Have the charity accounts been separately audited			N/A	Yes		
5.3	Have the charity accounts and Annual Return been filed within the legal time limits			N/A	Yes		

6.0 Burial Authorities							
Ref	Activity	FCPC Date Last Approved	Hyperlink	Reviewed	Complete	Comments / recommendations	
6.01	FCPC - Cemetery Regulations	Unknown	FCPC Rules for Burial Ground.pdf	Yes	Yes		
6.02	FCPC - Burial of Non Residents Policy			Yes	Yes	Included within the Burial Ground Rules	
6.03	FCPC - Cemetery Fees			Yes	Yes	Included within the Burial Ground Rules	
6.04	Payments received agrees with burials in the financial year			Yes	Yes		
6.05	Fees levied as per the councils agreed scale of fees			Yes	Yes		
6.06	Are the Statutory Records correct			Yes	Yes		
6.07	Do all internment of ashes have a certificate of creation			Yes	Yes		
6.08	Have the necessary permits, permissions and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved.			Yes	Yes		

7.0 Parish Council Website							
Ref	Activity	Auditor Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
7.01	FCPC - Accessibility Statement re Website			Yes	Yes		
7.02	Has the Transparency Code For Small Authorities requirements been met and the following been published:			Yes	Yes		
7.03	1-all items of expenditure above £100			Yes	Yes		
7.04	2-end of year accounts			Yes	Yes		
7.05	3-annual governance statement			Yes	Yes		
7.06	4-internal audit report			Yes	Yes		
7.07	5-list of councillor or member responsibilities			Yes	Yes		
7.08	6-the details of public land and building assets			Yes	Yes		
7.09	7-Minutes, agendas and meeting papers of formal meetings			Yes	Yes		
7.10	If not applicable has letter to the external auditor been issued			Yes	Yes		

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20th May 2023

Mrs L Cox
Responsible Financial Officer and Parish Clerk
Fenny Compton Parish Council

For The Attention of Moore UK

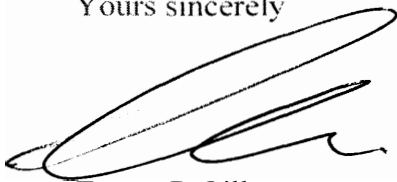
Internal Audit of Fenny Compton Parish Council for the year 2022-
2023

It will be noted that in the Annual Internal Audit Report 2022/23 page 3 for Fenny Compton Parish Council, the internal report item F has been marked by the internal auditor as "Not Covered."

In accordance with the instructions at the bottom of that page marked **Note.. this letter confirms that Fenny Compton Parish Council holds no petty cash.

If I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely



Trevor B Gill