

## **Idridgehay, Alton & Ashleyhay Parish Council**

### Introduction

The audit has been carried out remotely on a sample basis of documents provided by the Clerk, also through information available on the Council's website and from matters raised with the Clerk. During the audit reference has been made to the 'Practitioners' Guide' and the DALC Internal Audit Checklist has been used.

### Audit

The following governance arrangements were reviewed:

Key governance documents eg Financial Regulations/Standing Orders etc  
Transparency  
Asset Control  
Risk Management  
Proper Processes and Practices  
Payroll & HR arrangements

### Outcome

It is noted that a new Clerk was appointed part way through the year and a significant improvement in the Council's processes has been noted following the change.

#### Accounting Records

- All details were recorded in the financial ledger, and all appeared to be in order.
- Payments in the ledger were generally covered by invoices and minuted and authorised at the relevant PC meetings.
- Evidence seen that VAT was claimed annually.
- There were no recordings of S137 expenditure.

#### Due Process

- Standing Orders & Financial Regulations had been reviewed and are in the process of being updated on the website.
- The Code of Conduct and Complaints are also in place.

#### Risk Management

- Scanning the minutes there didn't appear to be any unusual activity.
- Insurance was reviewed and the appears appropriate.
- There was evidence of a review of the Risk Assessment and this has been provided.

#### Budget / Income

- The annual Budget and Precept were discussed and approved and displayed accordingly.
- Income was received as expected.

#### Salaries/Employees

- The only person on the payroll was the Clerk who had a contract of employment, was paid after approval at each PC meeting and paid tax to HMRC.
- The Council is registered with the Pension Regulator and the option for enrolment has been provided.

#### Asset Control

- The Council maintains an up to date register of assets.
- There was no evidence of any records of deeds, articles and land registrations being held by the Council.
- The Council considers its asset register for insurance purposes.

#### Accounting Statements

- It was noted there were two bank accounts, balances were minuted at each PC meeting.
- Accounts were reconciled on receipt of monthly statements.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting.
- Debtors & creditors recorded where necessary and there was evidence of a financial trail through records.
- This year's sections 1 & 2 of the Annual Return had been drafted ready for signing.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.

#### Transparency:

- The following were displayed / published as required by 1st July.
  - All expenditure over £100 (covered through displaying meeting minutes).
  - End of year accounts / Accounting Statement.
  - Annual Governance Statement.
  - Certificate of Exemption completed.
  - Internal Audit report.
  - Councillor responsibilities.
  - Asset Register.
- Agendas and meeting papers are published as required and draft minutes were generally issued by the next meeting.
- The PC website is in the process of being updated by the new Clerk and is easy to navigate.

Exercise of Public Rights:

- “The Notice of Public Rights” was issued appropriately on the website as required.

Miscellaneous:

- There was evidence confirming the previous internal audit had been reviewed and noted.
- Clerk confirmed electronic files are backed up regularly.
- Members interests were noted on the website.
- Agendas are informative and displayed on the PC website at least 3 clear days prior to meeting.
- Minutes were signed by the chair at each meeting and forwarded to the Clerk.

Annual returns:

The annual return section 2 details (Year Ending 31st March 2023) are set out at the end of this document.

Whilst the audit did not raise any significant concerns, there are however some issues that the Council should consider in the following advisory notes.

Advisory Notes

These are supplementary notes to my Internal Auditor’s Report:

Area of Audit	Issues identified	Recommended action	Priority
Website	It is still in the process of being updated	It is suggested that the Council makes this a priority for completion	Low
Agenda	During the first part of the year the agenda contained vague items such as “Any Other Business”	None, as the new Clerk has removed these items	Low
Reserves	The Council’s reserves are higher than would be expected given the size of the parish precept and expenditure, although it has been clarified that these are earmarked for specific projects	Ensure that any earmarked reserves are detailed in the minutes	Low

**Priority levels:**

**High:** Remedial work to start as soon as possible. Non-compliance with financial legislation/ requirements

**Medium:** Recommend to put steps in place within the next 12 months. Non-compliance with other legislation

**Low:** Good practice recommendation

I would like to conclude by thanking Matthew for his patience and openness during our conversations and to add that the affairs of the Parish Council appear to be in extremely good order compared to the beginning of the year.

I would be happy to discuss any of the above matters further with the Council or the Clerk if this is considered necessary.

David Hancock

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Date of completion 25 May 2023

The Audit has been carried out as part of the DALC Internal Audit Team

The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year Ending 31 March 2023</b>	<b>Year Ending 31 March 2022</b>
1. Balances Brought Forward	£14,333	£12,142
2. Annual Precept	£5,931	£5,392
3. Total other receipts	£1,357	£1,060
4. Staff costs	£3,253	£2,606
5. Loan interest/capital repayments	N/A	N/A
6. Total other payments	£4,632	£1,654
7. Balances carried forward	£13,736	£14,334



## Derbyshire Association of Local Councils Internal audit checklist 2022/23

<b>Name of Parish or Town Council</b>	Idridgehay, Alton & Ashleyhay		
<b>Parish Council website</b>	<a href="https://iaa-pc.org.uk/">https://iaa-pc.org.uk/</a>		
<b>Name of internal auditor</b>	David Hancock		
<b>Date of audit</b>	14 May 2023		
<b>Type of audit</b> Please select	████████████████████	Year-end (including AGAR)	
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	Matthew Evans	clerk@iaa-pc.org.uk	
<b>RFO if different</b>			
<b>Chairman</b>	Cllr Robert Tatler		
<b>Electorate</b>	380	<b>Total number of seats</b>	7
<b>Quorum</b>	3	<b>Number of councillor vacancies</b>	1
<b>Precept Demand 2022/23</b>	£5,931	<b>Gross budgeted Income</b>	£1,357
<b>Date of most recent audit</b>	25 May 2023	<b>Date of next audit (agreed with Clerk )</b>	TBC
	<b>Y/N</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous audit reports including the most recent?</b>	N	Detailed and noted in minutes	
<b>Is there evidence that previous internal and external audit reports have been acted upon?</b>	Y	Approved. Minute 23/22	

Key governance review		Y/N	Comments & recommendations	Must do	Should do	Could do
1	Standing orders (tailored and reviewed)	Y	Reviewed as per minute 13/22	Y		
2	Financial regulations (tailored, reviewed & on website)	Y	Reviewed as per minute 13/22	Y		
3	Terms of reference (committees / working groups)	-	N/A			
4	Code of Conduct (elected members)	Y	Published on the council's website.	Y		
5	Complaints procedure (tailored and reviewed)	Y	Published on the council's website.	Y		
6	Insurance Cover <ul style="list-style-type: none"> <li>• Reviewed annually</li> <li>• Certificate(s) viewed &amp; valid</li> <li>• Employees' Liability Cover in place and published</li> <li>• Public Liability Cover</li> <li>• Employees' Fidelity Guarantee</li> <li>• Councillors' ages reviewed and recorded</li> <li>• Other eg vehicles, assets, equipment, volunteers ...</li> </ul>	Y	Insurance renewal approved at annual council. For the sake of completeness, it would be advisable to itemise the different policies in the minutes.	Y		
7	Council contact details available online	Y		Y		
8	Up to date employment contracts for all staff	Y	Clerk is only staff member	Y		
9	Publication scheme in place	Y		Y		
10	GDPR policies in place <ul style="list-style-type: none"> <li>• Record Retention Schedule</li> <li>• Data Breach Assessment</li> <li>• Process for dealing with a Subject Access Request</li> <li>• Security Compliance Checklist ....</li> </ul>	Y		Y		
11	Arrangement for inspection of public records adequate	Y		Y		
12	External audit report published by 30 Sept (if relevant)	Y		Y		

Transparency		Y/N	Comments & recommendations	Must do	Should do	Could do
13	End of year accounts published by 1 July	Y		Y		
14	Annual Governance & Accountability Return (AGAR) published by 1 July <ul style="list-style-type: none"> <li>• Correctly claimed exemption from audit (if relevant)</li> </ul>	Y		Y		
15	Internal audit report published by 1 July	Y		Y		
16	Agendas and meeting papers published within three clear days	Y		Y		
17	Past 5 years of annual returns available online	Y		Y		
18	Asset register published by 1 July	Y		Y		
<b>Councils under £25K turnover and over £200K (good practice for those under £200K):</b>						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Y	Detailed in minutes	Y		
20	Councillor responsibilities published by 1 July	Y		Y		
21	Draft minutes published within one month of the meeting	N				Y
<b>Councils over £200K turnover:</b>						
22	Senior officer salaries published	-				
23	Data on issues important to local people (eg parking, grant giving)	-				
24	Procurement information over £5000 published	-				

Accounting		Y/N	Comments & recommendations	Must do	Should do	Could do
25	Cashbook maintained and up to date	Y		Y		
26	Arithmetically correct (checks / balance)	Y		Y		
27	Evidence of internal control	Y		Y		
28	VAT <ul style="list-style-type: none"> <li>evidence of recording</li> <li>evidence of reclaiming</li> </ul>	Y	Minute 49/22	Y		
29	All payments supported by authorised, minuted invoices	Y		Y		
30	s.137 <ul style="list-style-type: none"> <li>Recorded separately within accounts</li> <li>Within legal threshold limits for the current year</li> <li>Spend in accordance with legislation</li> </ul>	Y		Y		
31	Payments made in accordance with financial regulations <ul style="list-style-type: none"> <li>Cheques</li> <li>Online banking</li> <li>BACS</li> <li>Direct Debit</li> <li>Credit or debit cards</li> <li>Other payments</li> </ul>	Y		Y		

Budget		Y/N	Comments & recommendations	Must do	Should do	Could do
32	Annual budget in support of precept approved by full council	Y		Y		
33	Precept demand properly minuted (full council&amount)	Y		Y		
34	Earmarked reserves & general reserves reviewed	Y	Reserves are higher than would be expected; however, these are earmarked for the purchase of two SIDs	Y		
35	Budget is monitored regularly with variances reported to council in line with Financial regulations <ul style="list-style-type: none"> <li>Variances (15%+/-) from budget explained</li> </ul>	Y		Y		



	<b>Income Control</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>36</b>	Income properly recorded and banked promptly	Y				
<b>37</b>	Precept income received in bank account	Y				
<b>38</b>	Effective security of cash and cash transactions	-	N/A			
<b>39</b>	Effective security of card transactions	-	N/A			

	<b>Bank Reconciliation</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>40</b>	Regular bank statement reconciliation	Y		Y		
<b>41</b>	Balancing entries (adjustments) explained	Y		Y		
<b>42</b>	Bank mandate up to date • Evidence of signatories	Y		Y		

	<b>Petty Cash</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>43</b>	Petty cash account used/authorised	-				
<b>44</b>	Petty cash spending supported by VAT receipt(s)	-				
<b>45</b>	Petty cash reported to Council	-				
<b>46</b>	Petty cash float reconciled/reimbursed	-				
<b>47</b>	Other	-				

		<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>48</b>	Accounting according to • Income and expenditure • Receipts and payments	Y		Y		
<b>49</b>	Bank statements reconcile to ledger	Y		Y		
<b>50</b>	Robust audit trail evident	Y		Y		
<b>51</b>	Debtors and creditors recorded	Y		Y		
<b>52</b>	Other	Y		Y		

	<b>Asset Control</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>53</b>	Register of assets exists and is reviewed annually	Y		Y		
<b>54</b>	Assets inspected and Health & Safety issues considered (eg Play equipment, Street furniture, Fire safety, Defibrillators etc)	Y		Y		

	<b>Risk Management</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>55</b>	Risk management scheme and annual review in place	Y		Y		
<b>56</b>	Financial controls and procedures documented	Y		Y		
<b>57</b>	Regular financial reporting to Council in line with Financial regulations	Y		Y		
<b>58</b>	Reporting of bank balances minuted and bank reconciliation signed off at least quarterly	Y		Y		
<b>59</b>	Grants ratified and minuted according to policy	Y		Y		
<b>60</b>	Evidence of unusual activity from minutes	N		Y		
<b>61</b>	Resilience/ Emergency Plan in place	Y			Y	

	<b>General</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>62</b>	GPC <ul style="list-style-type: none"> <li>Council eligible</li> <li>GPC adopted/ up to date</li> </ul>	Y	Eligible			Y
<b>63</b>	Back up of files adequate	Y			Y	
<b>64</b>	Storage of files (paper and electronic) adequate	Y			Y	
<b>65</b>	Local Council Award Scheme <ul style="list-style-type: none"> <li>Foundation/ Quality/ Quality Gold</li> </ul>					

66	Website Accessibility Statement published online	N	Website in process of being updated		Y	
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	Proper Process/ Practice	Y/N	Comments & recommendations	Must do	Should do	Could do
67	Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff</li> <li>• Other</li> </ul>	Y	Clerk is the only employee		Y	
68	List of Members' interests <ul style="list-style-type: none"> <li>• displayed on website</li> <li>• reviewed regularly</li> </ul>	Y		Y		
69	Declarations of acceptance of office <ul style="list-style-type: none"> <li>• New councillor</li> <li>• Chairman</li> </ul>	Y		Y		
70	Co-options according to policy	N	Policy being introduced		Y	
71	Agenda documents correct	Y	Improved under change of clerk	Y		
72	Minutes correct / signed	Y		Y		
73	Purchase order system used/correct	Y		Y		
74	Purchasing authorised in line with Financial regs / limits	Y		Y		
75	Council operating within legal powers <ul style="list-style-type: none"> <li>• Legal powers identified in minutes</li> </ul>	Y		Y		

<b>76</b>	Delegation to officers or committees <ul style="list-style-type: none"> <li>• Scheme of delegation</li> <li>• Limits set out in financial regulations and / or standing orders;</li> <li>• adhered to;</li> <li>• reported adequately</li> </ul>	Y		Y		
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	<b>Payroll &amp;HR</b>	<b>Y/N</b>	<b>Comments &amp; recommendations</b>	<b>Must do</b>	<b>Should do</b>	<b>Could do</b>
<b>77</b>	Written statement of particulars for all staff from day one (April 2020 onwards)	Y	Only one employee	Y		
<b>78</b>	Proper procedures for payroll, PAYE & NI	Y		Y		
<b>79</b>	Is payroll inhouse or external provider used?		In-house <del>External</del>		Y	
<b>80</b>	PAYE & NI payments verified	Y		Y		
<b>81</b>	Approval of salaries and increments	Y		Y		
<b>82</b>	Approval of expense claims	Y		Y		
<b>83</b>	Minimum wage threshold met	Y		Y		
<b>84</b>	HR procedures and policies adopted / reviewed	Y		Y		
<b>85</b>	Training policy and record staff /elected Members	N	N/A – coming towards end of term, but advisable for new year		Y	
<b>86</b>	Qualified Clerk <ul style="list-style-type: none"> <li>• CiLCA 2015 or later</li> <li>• Level 4 Community Governance or higher</li> </ul>	Y		Y		
<b>87</b>	Annual appraisals undertaken	N	Clerk in post less than a year		Y	

<b>88</b>	Job description up to date / reviewed	Y		Y		
<b>89</b>	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> <li><a href="#">Display Screen Equipment</a></li> </ul>	Y			Y	
<b>90</b>	Pension provision in place (LGPS, NEST)	Y		Y		