

BECKINGTON PARISH COUNCIL

INTERNAL AUDIT REPORT 2020-21

SECTION 1: MINUTES

TASK	COMMENT
<p>Check quorum present for each full council meeting.</p>	<p>Quorum present at each Council meeting. Council consists of 7 parish councillors. Standing Orders requires a quorum of one third. 3 members constitute a quorum.</p> <p>Due to Coronavirus the annual parish council meeting was held on 10th June 2020.</p>
<p>Check minutes properly signed.</p>	<p>There appeared to be an issue, now resolved, regarding the accuracy of the November 2020 minutes. The February 2021 minutes have not yet been adopted.</p> <p>Minutes – 9th March 2021: It is noted that various agenda items were taken out of sequence but the minutes should run in sequence. Minute 97 indicates that the November 2020 minutes were adopted but the February 2021 minutes deferred.</p> <p>It is good practice to send out draft minutes of the minutes as soon as possible after the meeting, normally within a week. This provides Members to review the draft minutes and feed back to the Clerk any inaccuracies, omissions or other alterations such as spelling or grammar so that they can be corrected prior to the following meeting.</p> <p>It is unfortunate that the minutes indicate to the general public a level of petty squabbling within the Council.</p>



The Council is a corporate body and is enshrined in law. It has a duty to act responsibly and has a duty of care to both its employees and members. The internal audit aims to identify and governance issues as well as confirming the accuracy of the Council's accounts. It is of significant concern that the Parish Council has some internal issues which need to be addressed outside the meeting and resolved.

The following minutes require signing:

- 10th June 2020
- 14th July 2020
- 11th August 2020
- 8th September 2020
- 12th January 2020
- 16th March 2021

The following minutes have been signed but not dated:

- 13th October 2020
- 10th November 2020
- 1st December 2020
- 9th February 2021
- 9th March 2021

Recommend:

- That all minutes are signed and dated. The date should be the day the minutes are signed, either at a subsequent meeting or outside the meeting;
- That the minute numbering should be sequential and run in order of the item being discussed. If there is a requirement to alter the running order of the agenda that should be explained in the minutes;
- Each page of the minutes should be numbered sequentially.



	<p>There was a meeting gap between April and May 2020 due to Coronavirus restrictions. Meetings were all held remotely via the Zoom platform.</p>
<p>Check pages in minute books sequentially numbered.</p>	<p>The minutes are not numbered in sequence. The numbering of the minutes correspond to the agenda numbering. The Minute do not include page numbers.</p> <p>It is recommended that the minutes are numbered in sequence for ease of reference. It is not a requirement for the agenda to be numbered in sequence.</p> <p>Council may wish to consider reviewing the way it numbers the minute pages. It is recommended that the page numbers commence from page 1 at the Annual Parish Council meeting in May and then run sequentially until the April meeting.</p>
<p>Check there is a minute authorising precept request.</p>	<p>Minute 82 deferred the consideration of the Council precept and budget. This is one of the most important items for Council to consider and should have been a priority. It is also a time sensitive decision.</p> <p>Minute 88(c) authorised the precept (9th February 2021)</p> <p>Minute 88(c) also suggests approval of the budget for 2021/22. It is recommended that this be made clearer in future in the minutes.</p>
<p>Check there is a minute authorising any change in salary scales for the Clerk and other staff, if relevant.</p>	<p>The Clerk was awarded an incremental increase in 2019-20 which came into force on 1st April 2020. (Minute 83 – 14th January 2020).</p> <p>Minute 10 indicated an agreement to pay the Clerk in 12 monthly instalments.</p> <p>A national percentage increase was awarded in 2020/21. It is recommended that all national percentage increases are reported to Council and any increase is awarded to the Clerk.</p> <p>It is further recommended that any salary increase awarded be properly minuted to ensure transparency. It is a contractual obligation of the Council to award any percentage increases and incremental point increases as outlined in the Clerk's Contract of Employment.</p>



Check there are minutes authorising any exceptional financial transactions.	All financial expenditure is fully minuted. Monthly bank reconciliations are dated and signed and correspond to the bank statements.
Check minutes detailing competitive quotes for large contracts.	Checked. Legal advice was received from DLA Piper UK LLP. Consultancy has been provided by Moss Naylor Young Ltd. It is unclear whether this was commissioned following a request for competitive quotations or whether the option to secure this service through the Professional Services clause within Financial Regulations was agreed.
Check the correct legal procedure has been followed regarding contracts over £25,000.	There were no contracts entered into that amounted to more than £25,000.
Check Standing Orders reviewed annually and adopted.	Standing Orders have been reviewed recently though no minute identified during the 2020/21 financial year. It would have been good practice to have added an addendum to Standing Orders to recognise the new Coronavirus regulations.
Check Financial Regulations reviewed annually and adopted.	Reviewed on 10 th June 2020. Delegated spending of Clerk amended.
Check that payment authorisation is agreed on all outstanding accounts.	Cheques are authorised for payment at Council and recorded in the minutes. The cheque book stubs have not been initialled by the signatories when signing the cheques. There is one initial on the cheque stubs until chq 1005 (CW) then none for the rest of the year, It is recommended that those signing the cheques check the stubs to make sure they correspond with the cheque and initial accordingly.
Check that an RFO has been appointed.	Clerk is the RFO.

SECTION 2: ASSETS AND INVESTMENTS

TASK	COMMENT
Ensure there is an inventory or register of all council assets.	Asset register in place. Amended on 10 th June 2020 (minute 8)



Check assets correctly insured.	Insurance policy in place with Came & Company via Ecclesiastical Insurance Group. Payment duly authorised.
Check documentation for all leased assets.	No leased assets identified.
Check investment procedures and security.	Council has two bank accounts. A current account with £10 and a Business Reserve Account both with Nat West. A sweep system is on place therefore making best use of Council reserves.

SECTION 3: INCOME

TASK	COMMENT
1. CASH INCOME	
Check procedure for collecting and recording cash income.	Financial regulations in place. Income correctly recorded and checks with bank statements.
Check cash banked and frequency.	Banking undertaken as required.
Check any cash balances unbanked.	None identified.
2. CREDIT INCOME	
Check procedures for handling deposits.	Financial regulations checked.
Check deposits actually held.	Checked.
3. ACCURACY	
Check that VAT is reclaimed on a regular basis.	VAT is claimed on an annual basis.

SECTION 4: CASH AND BANK

TASK	COMMENT
1. BANK RECONCILIATION	



Check bank reconciliations are performed on a monthly basis and agree on all bank accounts.	Bank reconciliations are presented regularly to Council. The sample checked corresponded with the bank statements.
Review any cheques outstanding for over six months and ensure written off or reason for carrying forward	None identified during sample test.

SECTION 5: PAYMENTS

TASK	COMMENT
Have all cheques and BACs payments been included on payment schedule, approved by council and included in the minutes?	Yes.
Check security of cheque books, where are they stored, who has access.	Cheque books are held at the Clerk's home. Clerk has strong box.
Make sure cheques run in number order, investigate any gaps in numbers (e.g. cancelled cheques)	Cheques do not run in number order. Chq 997 has been cancelled and recorded as Nil. Cheques run from 987 to 1025. Then a gap. Cheques re-commence at 1031 to 1046. Internal Auditor has not had sight of these cheques.
Examine petty cash expenses and check petty cash balances if applicable.	No petty cash held. Expenses are claimed as they occur.
Examine all expenses claim by employees/ councillors and check validity.	All expenses claimed for by the Clerk and Councillors are reported accurately and fully to Council. One training session has been paid for. Good practice for Councillors to undertake training, especially any new Councillors that may be elected or co-opted.

SECTION 6: PAYROLL

TASK	COMMENT
Check contracts of employment for all staff are in place.	The Clerk has a contract of employment in place.
Check overtime authority, if applicable.	No additional hours have been claimed for.
Check PAYE/NI paid over to inland revenue by correct date.	HMRC payments correctly made.



SECTION 7: GENERAL

TASK	COMMENT
Check trial balance and identify whether regular bank balance information is submitted to Council.	Bank reconciliations are reported regularly and signed off.
At year-end make sure that amount of VAT re-claimable (or payable), agrees with sum declared on the balance sheet.	Checked and agreed.
Check precept is calculated by correct budget process.	Budget developed and adopted by Full Council. Correct process is in place. Some tightening up recommended regarding the minuting of the adoption of the annual budget.
Check members are regularly provided with budget information.	Receipts and payments sheet regularly provided for members' information as part of the agenda. This is provided with each agenda.
Ensure insurance cover is adequate.	Public liability insurance in place, employer liability insurance and Fidelity Guarantee is in place and assets covered.

SECTION 8: RISK

TASK	COMMENT
Check Risk Register is in place and updated annually.	There is a Risk Assessment in place and was updated on 9 th June 2020.
Review any IT systems and check data back-up procedures and data security is in place.	All of the data held by the Council is backed up on the cloud. Assets include an external hard drive which is used to back up Council data as an additional security measure. Microsoft Office purchased in July. Good practice is to back up all documentation regularly and hold a copy securely offsite. This is currently being achieved.