

ACM BUSINESS SERVICES LTD

Internal Audit

Fairfield Parish Council

Year Ending 31 March 2022

Internal Auditor: Alessandra Marabese

Summary Checklist Report

This internal audit report is based upon the Association of Local Councils recommended checklist, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

Name of Council	Fairfield Parish Council	Name of Clerk to the Council	Katrina Henshaw
No. Of Councillors	7 (7 in post)	Name of RFO (if different)	
Quorum	3	Precept (for audit year)	£106,865
Electorate	2166		
Website	www.fairfieldparishcouncil.gov.uk		

Key Policies and Procedures Documentation Review									
Policy Details				Last Review					Auditor comments
	Policy Name	Adopted	Prepared by	Date	Approved by	Key changes	On website?	Copy taken	Key changes required at next review and recommendations
a.	Standing Orders v5.0	13/09/18	Clerk	06/05/21	Council		Y	Y	None
b.	Financial Regulations v4.0	12/03/20	Clerk	06/05/21	Council		Y	Y	None
c.	Grants Policy v3.0	13/02/20	Clerk	30/02/20	Council		Y	Y	Due for review in 2024. Policy for underwriting community events also created in March 2020.
d.	Risk Assessment of Internal Controls		Clerk	06/05/21	Council		Y	Y	None
e.	Equality and Diversity Policy	12/12/13	Clerk	14/11/19	Council		Y	Y	Due for review in 2024
f.	Investment Policy	14/11/19	Clerk	14/11/19	Council		Y	Y	Due for review in 2024
g.	Reserves Policy v2.0	09/07/20	Clerk	06/05/21	Council		Y	Y	None
h.	Complaints Policy v2.0	12/12/13	Clerk	13/08/20	Council		Y	Y	Due for review in 2024
i.	Freedom of Information v2.0	13/10/16	Clerk	08/04/21	Council		Y	Y	Due for review in 2024
j.	Code of Conduct	13/05/13	Clerk	06/05/21	Council		Y	Y	Due for review in April 2022

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

1. Accounting Records			IC Obj	Gov Sta	Comments & Recommendations
5.11	Ledger maintained & up to date?	Yes	A	1	Review of the ledger shows that accounts are balanced monthly and are up to date to the financial year-end.
5.12	Does the ledger/cashbook include sufficient analysis to make preparation of the annual Accounts and Annual Return straightforward?	Yes	D	1	Cashbook excel is well set out and easy to navigate with easily extractable information.
5.13	Is arithmetic correct?	Yes	A	1	Checks of the cashbook Excel spreadsheet for confirmed that the cashbook and other accounts arithmetic were correct. Checks for allocation against correct nominal code show that they were also correct.
5.14	Evidence of internal control?	Yes	B	2	<ul style="list-style-type: none"> • Internal audit – annual completed April 2021 • Risk assessment checklist – reviewed May 2021 • Budgetary control and monitoring – quarterly and evidenced in minutes (July, October and January) • Each bank statement and reconciliation is presented to full council for review and signed by the Chair at the meeting. • Cllr Dack currently reviews the cashbook Excel annually.
5.15	Is VAT identified separately in the coding analysis / cashbook? VAT evidence, recording and reclaimed?	Yes	B & E	2	<p>The Council is able to recover VAT through the Local Authorities and Similar Bodies Scheme.</p> <p>VAT is listed separately in the cashbook under both non-business and business activity A claim for repayment of VAT was made quarterly in 2020/21. The latest claim covered the period 01/10/21 to 31/12/22 and was for a repayment of £2.337.47 received on 25/01/22.</p> <p>VAT claim for Qtr 4 2021-2022 to be made post March 2022.</p> <p>Testing indicated that VAT on income and expenditure had been correctly applied.</p> <p>There has not been a VAT inspection since the Clerk's appointment in 01/08/2013.</p>
5.16	Have the previous year closing balances been correctly brought forward?	Yes	A	1	Check of balance brought forward to the new financial year are correct and correct on AGAR Accounting statements
5.17	Payments in the ledger supported by invoices, authorised & minuted?	Yes	B	2	<p>See also Detailed schedule in Compliance Testing Report.</p> <p>The Chairman confirms that invoices are checked for accuracy by the Clerk and that they are then checked and initialled by two councillors. Payments are approved at meetings. Bank transfers are authorised by two councillors. This is evidence of segregation of duties and actions.</p>
5.18	Are payments made by direct debit, standing order examined and approved for payment?	Yes	B	2	The Council has 3 direct debits set up. Direct debits reviewed annually in May. Invoices for monthly direct debits are checked and initialled by 2 councillors.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

1. Accounting Records			IC Obj	Gov Sta	Comments & Recommendations
5.19	Is eligibility for the General Power of Competence properly evidenced?	Yes	B	3	The Council meets the criteria for the General Power of Competence and this was re-adopted in in May 2021 minute ref. 28.1
5.110	Is S137 expenditure separately recorded and within statutory limits?	N/A	B	3	N/A
5.111	Legal powers identified in minutes and/or ledger?	N/A	B	3	N/A
5.112	Is S137 expenditure of direct benefit to the electorate?	N/A	B	3	N/A

2. Budget			IC Obj	Gov	Comments & Recommendations
2.1	Annual budget prepared to support precept?	Yes	D	1	A detailed budget is prepared annually by the Clerk in consultation with Councillors. The Clerk then presents that budget to Council for discussion and approval.
2.2	Has budget been discussed and adopted by Council?	Yes	D	1	The budget for the financial year being audited was reviewed and approved by the Council on 14 th January 2020. Precept also set at same time. The budget for 2022/2023 was reviewed and approved by Council on 9 th December 2021 minute ref. 231.4. Precept of £110,311 set at same time.
2.3	Is the actual spend v budget monitored during the year with corrective action taken when necessary?	Yes	D	1	The Clerk provides a regular update to Council. Minute refs all refer: 367.2 April 2021, 93.9 July 2021, 167.2 October 2021 and 260.2 January 2022. Any over/under spend on budget is approved by Council with funds transfers between budget centres e.g.: 260.3 January 2022.
2.4	Are significant or unanticipated variances from budget explained?	Yes	D	1	All explained as per the Annual Return and from financial reports presented to Council. Variances from budget and decisions made to alter listed in minutes e.g.: minute ref 360.3 January 2022.
2.5	Does precept received in the accounts match the prior year submission form to the relevant authority?	Yes	D	1	Precept for audit year requested was £106,865. Payments received in April and September 2021 from Central Bedfordshire Council of £53,433 and £53,432 respectively which equal amount requested.
2.6	Precept demand for next year correctly minuted?	Yes	D	1	The approved precept demand of £110,331 was forwarded to Central Bedfordshire Council by the deadline, was correctly minuted ref. 234.1 December 2021, and excluded any support grant (CTSG).
2.7	General Reserve Policy in place? Note: are general reserves between 3 and 12 months of Net Revenue Expenditure	Yes	D	1	A Reserves Policy is in place. Reports show earmarked reserves at £171,555.37 and a balance carry forward of £205,095. This leaves circa £34,000 general reserves which falls within target between 3- and 12-months N R E

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

2. Budget			IC Obj	Gov	Comments & Recommendations
2.8	Level and purpose of earmarked or capital reserves reviewed?	Yes	D	1	The Council holds funds listed as earmarked reserves for major capital projects and is budgeting / precepting annually to cover the cost of these future projects e.g.: allotment provision and garden of remembrance. Reports show earmarked reserves at year end of £171,555.37. A detailed list of projects with amounts required to complete and amounts set aside in reserves was reviewed. There is, in practice, no upper or lower limit to EMR save only that they must be held for genuine and intended purposes, and their level should be subject to regular review and justification (at least annually), and should be separately identified and enumerated. This requirement has been satisfied and the Clerk has prepared an explanation for the External Auditor why Reserves are more than 15% of precept.
2.9	Has a financial appraisal been undertaken before the commencement of any significant financial project?	Yes	D	1	Project plans and financial appraisals have been undertaken for a number of significant financial projects. FPC is a relatively new council with projects such as allotment and garden of remembrance provision.

3. Banking and Reconciliation			IC Obj	Gov	Comments & Recommendations
3.1	Is there a bank reconciliation for each account?	Yes	I	1	Reconciliations are undertaken monthly for the bank accounts held by the Council: <ul style="list-style-type: none"> • Unity Trust (current) Account; bank statements received monthly. The main account for online, cheque payments and receipts. • Cash Plus Card; money transferred to it as required for internet purchases. Acts much like a petty cash account. • United Trust Bank One Year Fixed Deposit Bond transferred to 6 month Business Bond. The Cambridge Building Society Savings Account.
3.2	Reconciliation carried out on receipt of statement and reviewed by members of the authority?	Yes	I	1	All bank accounts are reconciled individually on receipt of statement. Bank statements and reconciliations are presented to full council at each meeting and signed by the Chairman. RECOMMENDATION: The Council should consider formally recording the review and approval of bank statements and bank reconciliations by members in minutes.
3.3	Any unexplained balancing entries in any reconciliation?	Yes	I	1	All balancing entries fully explained.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

3. Banking and Reconciliation			IC Obj	Gov	Comments & Recommendations
3.4	Is the bank mandate up to date and approved by members?	Yes	A	2	The Unity Trust bank mandate is updated and approved by the Council at the Annual Meeting in May and as required throughout the year. This mandate authorises 4 Council members as signatories: Cllrs Dack, Daffarn, Reader and Reynolds. Reviewed in May 2021 minute ref. 34.1. All Council signatories on the bank mandate were still Council members at the end of the current financial year. The Clerk is not an approved cheque signatory on the mandate. The Clerk is recognised by the bank for administrative and communication purposes and to set up transfer of funds and payments.
3.5	Has the authority approved the setting up of any new bank accounts and / or 'pooling / sweeping' of funds?	Yes	B	2	Maturing 1 year bond with United Trust Bank reinvested in the current financial year (February 2022 minute ref. 294.3 refers): <ul style="list-style-type: none"> United Trust Bank 6 Month Fixed Business Bond - £85,000
3.6	If held, do debit / credit / charge cards have defined monthly and individual transaction limits and are they cleared monthly by direct debit?	N/A	B	2	The Cash Plus Card held by the Clerk is operated like a Petty Cash account. The card is topped up with £300 (or relevant amount if purchase is agreed by Council) as and when required and is used for approved purchases made online or those that would normally be paid for with cash e.g.: postage stamps. This avoids the Clerk having to make personal expenditure and reclaiming. The Cash Plus Card is set up with defined transaction limits.
3.7	Regular reporting and minuting of bank balances?	Yes	I	1	Bank balances are presented to Council at each meeting as part of financial reporting – see Bank reconciliations.
3.8	Are cheques or orders for payment signed by two elected members or are controls in place to ensure safe and efficient payment arrangements?	Yes	B	2	Financial Regulations, section 5, state that 2 members of council must sign cheques. Section 6 of the same allow for payment via bank transfer etc.

4. Petty Cash			IC Obj	Gov	Comments & Recommendations
4.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	F	2	No petty cash.
4.2	Is petty cash expenditure reported to Council?	Yes	F	2	N/A
4.3	Is petty cash reimbursement carried out regularly?	N/A	F	2	N/A

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

5. Due Process & Internal Controls			IC Obj	Gov	Comments & Recommendations
5.1	Are Standing Orders in place? Have they been reviewed during last financial year and do they reflect recent legislative changes / in line with current NALC models whilst taking into account the Council's own specific needs?	Yes	B	2	<p>Standing Orders were last reviewed and approved by Council on 6th May 2021 when no changes were made. They are based on the current NALC model Financial Regulations, adapted to suit the specific needs of the Council.</p> <p>RECOMMENDATION: Council should ensure that Standing Orders section 18 Financial controls and procurement are amended at the next possible opportunity as per NAL LTN 87 – Procurement issued in March 2022. Clerk has advised this will be done in May 2022.</p>
5.2	Are Financial Regulations in place? Have they been reviewed during last financial year and do they reflect recent legislative changes / in line with current NALC models whilst taking into account the Council's own specific needs?	Yes	B	2	<p>Financial Regulations were last reviewed and approved by Council on 6th May 2021 when no changes were made. They are based on the current NALC model Financial Regulations, adapted to suit the specific needs of the Council.</p> <p>RECOMMENDATION: Council should ensure that Financial Regulations section 11 Contracts are amended at the next possible opportunity as per NAL LTN 87 – Procurement issued in March 2022. Clerk has advised this will be done in May 2022.</p>
5.3	Are consistent values in place for the acquisition of formal tenders and quotes between SO's and FR's.	Yes	B	2	Both SO and FR values are consistent but require updating as per recommendations in 2.1 and 2.2 above.
5.4	RFO appointed?	Yes	B	2	Katrina Henshaw was appointed as Clerk to the Council on 01/08/13, which included responsibility as the RFO.
5.5	Purchase orders raised for all expenditure?	Yes	B	2	Orders for goods and services are made by purchase order or contract with a purchase order number, unless an online order is required.
5.6	Purchasing authority defined in Financial Regulations?	Yes	B	1	<p>The Financial Regulations stipulate that:</p> <ul style="list-style-type: none"> Clerk may make emergency purchases up to £200 (3.4) <p>Clerk is responsible for petty cash float up to £250 for the defray of operational and other expenses (6.21.a)</p>
5.7	Are arrangements in place to enable preparation of an accurate and timely statement of accounts in compliance with statutory obligations and proper practices?	Yes	J	1	Financial Regulations section 4 include details of arrangements in place and details also listed on Annual risk assessment

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

6. Income Controls and Debt Collection			IC Obj	Gov	Comments & Recommendations
6.1	Is income properly recorded and promptly banked?	Yes	E	2	Receipts (acknowledgments) are issued for payments received, when requested. Cash and cheques are banked as soon as is practically possible. Outside of the precept and the VAT reclaim there is minimal other income e.g., contribution from Central Bedfordshire Council towards grass cutting, donations and Apple Day income.
6.2	Are security controls over cash adequate and effective?	Yes	E	2	Prior to banking, any cash and cheques (which are minimal) are kept by the Clerk in a lockable location her office, for which only she has a key. Cash is collated by the Clerk and a nominated Councillor and passed to the Clerk ASAP for banking.
6.3	Where amounts are receivable on set dates during the year, is an appropriate control record maintained to identify dates on which income is due and actually received?	N/A	E	2	No income due on set dates.
6.4	Where applicable, debtors and creditors properly recorded to ensure appropriate follow up action is in place?	Yes	E	2	Although not required to be recorded in the Receipts and Payments Accounts (i.e. cash based accounts), no outstanding debtors or creditors were identified at the financial year-end.

7. Allotments			IC Obj	Gov	Comments & Recommendations
7.1	Do appropriate signed tenancy agreements exist?	N/A	E	2	N/A - No current allotments
7.2	Does the Council hold an appropriate register of tenants?	N/A	E	2	N/A
7.3	Are allotment debtors monitored?	N/A	E	2	N/A

8. Burial Authorities			IC Obj	Gov	Comments & Recommendations
8.1	Is the burial register maintained and up to date and has a sample of interments and memorials been evidenced?	N/A	E	3	No current cemetery
8.2	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	N/A	E	5	N/A
8.3	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A	E	1	N/A
8.4	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	N/A	E	1	N/A

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

8. Burial Authorities			IC Obj	Gov	Comments & Recommendations
8.5	Have all appropriate burial / cremation certificates been acquired and retained?	N/A	E	3	N/A
8.6	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	N/A	E	3	N/A

9. Hall Hire			IC Obj	Gov	Comments & Recommendations
9.1	Is an effective diary system for bookings in place identifying the hirer, hire times and cross referenced to invoices raised?	N/A	E	3	N/A - No responsibility for hall hire however the Community Hall will be transferred from a developer to the Council in 2022-2023.

10. Leases			IC Obj	Gov	Comments & Recommendations
10.1	Are all leases reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at due times?	N/A	E	3	N/A - No current leases although there will be one in place in 2022-2023.

11. Employees, payroll and Members allowances			IC Obj	Gov	Comments & Recommendations
11.1	Are contracts of employment in place for all staff with a letters issued for any changes to the contract?	Yes	G	3	The Clerk received a combined contract of employment and job description following appointment in August 2013. Contract reviewed and re-issued on 19/04/18 and based on NALC model contract.
11.2	Tax code issued/contracted out?	Yes	G	2	The Clerk is remunerated through the payroll (HMRC Tools) and has an applicable tax code.
11.3	PAYE/NI evidence?	Yes	G	2	The payroll confirmed that the Clerk's salary was subject to PAYE and NI. Payment made to HMRC monthly.
11.4	Is payroll software up to date?	Yes	G	3	Yes.
11.5	Has Council approved salaries paid?	Yes	G	2	The Council's payroll is completed in house using HMRC Tools software. The Clerk receives a net monthly payment, for which Council approve the salary payment on the expenditure payment approvals list.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

11. Employees, payroll and Members allowances			IC Obj	Gov	Comments & Recommendations
11.6	Has the council met its pension obligations?	Yes	G	2	The Council is registered for pensions auto enrolment. The Council contribute 5% of the Clerks monthly wage towards pension in line with Government guidance. This was reconfirmed in March 2022 minute ref 323.4.
11.7	Other payments reasonable and approved by Council?	N/A	B	1	Other than the fixed monthly salary payment, no other payments were made to the Clerk.
11.8	Does the Council have employers' liability cover?	Yes	C	2 & 5	The Council has employer's liability cover of £10M.
11.9	Minimum Wage paid?	N/A	G	3	The Clerk's remuneration exceeds both the applicable Minimum Wage and Living Wage.
11.10	Is gross pay due to employees in accordance with the approved spinal point on NJC scales or hourly rate? If off scale, is it in line with contracted hours and pay rate?	Yes	G	2 & 3	The Clerk's salary is approved within the setting of the annual budget and as required throughout the year. It is based upon NJC pay scales and on agreed hours worked per month. March 2022 minute ref 323.4 show that the clerk will be paid the new SCP30 backdated to 1st April 2021 as recommended by NALC E01-20 2021/22 National Salary Award.
11.11	Disciplinary, Grievance & Complaints procedures in place?	Yes	C	5	The Clerk's contract of employment includes sections relating to grievance and disciplinary procedures which are in place.
11.12	Are procedures in place for the payment of members allowances and deduction of any tax liability?	N/A	B	2	No allowances received.

12. Asset Control			IC Obj	Gov	Comments & Recommendations
12.1	Does the Council keep a register of all material assets owned?	Yes	H	2	The Clerk is responsible for maintaining the manual asset register.
12.2	Is the asset register complete and up to date?	Yes	H	2	The asset register was up to date as at the financial year-end and is to be reviewed by Council in May 2022. The Council agreed to consider assembling photographic evidence of all assets held on 6th May 2021 – item 18.1 and this is in progress.
12.3	Value of individual assets included at date of purchase / gifted, and current insured value?	Yes	H	2	Yes, however a minimum value is not applicable for an asset to be listed on asset register. RECOMMENDATION: Best Practice - The Council should consider the creation of an Asset Register Policy.
12.4	Are community assets listed in the register e.g.: land?	Yes	H	2	Land and buildings assets are also shown on the Councils website and are listed in the asset register at £0 as suggested in the report from the External Auditor BDO in 2015

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

12. Asset Control			IC Obj	Gov	Comments & Recommendations
12.5	Inspected for risk and health and safety?	Yes	H	5	All FPC electrical equipment that is stored at the Community Hall has recently been PAT Tested, April minutes ref 359.1. Council also conducts annual health and safety risk assessments on land assets (min ref. 6th May 2021 – item 20.2).
12.6	If any assets have been disposed of, have appropriate procedures been followed for disposal and for the use of resulting capital receipts if applicable?	Yes	H	2	No assets disposed of in financial year.
12.7	Does asset value on AGAR equate to prior year reported value adjusted with any in year acquisitions and disposals	Yes	H	1	All values correspond.
12.8	Does the Asset Register match the insurance schedule?	Yes	H	2	All values correspond.
12.9	Are any long-term investments (those more than 12 months) covered by the Investment strategy and reported as Assets in the AGAR at section 2, line 9?	N/A	H	3	N/A

13. Borrowing and Lending			IC Obj	Gov	Comments & Recommendations
13.1	Have any loans of long-term liabilities been assessed for affordability and relevant approvals obtained from the DMO?	N/A	H	3	N/A - No loans undertaken by Council
13.2	Has any loan been accounted for appropriately in the year of receipt?	N/A	H	2	N/A
13.3	Is the combined principal loan repayment and interest for the year corrected recorded in the AGAR at section 2 line 5?	N/A	H	2	N/A
13.4	Is the outstanding loan liability as at 31 st March each year correctly recorded in the AGAR at section 2 line 10 (value verified via DMA website)?	N/A	H	2	N/A
13.5	For all loans issues by the council to local bodies have signed indemnities from the recipient body, or their members been received that agree to underwrite the loan debt?	N/A	H	5	N/A

14. Compliance with Laws			IC Obj	Gov	Comments & Recommendations
14.1	Was the Annual Parish Council meeting held within the required timescales?	Yes		3	Yes

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

14. Compliance with Laws			IC Obj	Gov	Comments & Recommendations
14.2	List of member's interests held?	Yes	L	3	Member's interest are held by Central Bedfordshire Council and a link is available on the Parish Council website to the list of member's interest held by CBC (all are present).
14.3	Agendas signed, informative and displayed with 3 clear days' notice?	Yes		3	The Clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and parish council notice board. Agendas are issued on Fridays for Thursday meeting dates.
14.4	Committee terms of reference exist and have been reviewed?	N/A		3	N/A. No committees of council exist see May 2021 minute ref. 29.1
14.5	Is an Investment Policy / strategy in accordance with the MHCLG guidance in place?	Yes	H	1 & 3	Investment Policy adopted in November 2019 minute ref. 259.1. Due for review in 2024.

15. Email, Websites, IT and Data Protection			IC Obj	Gov	Comments & Recommendations
15.1	Does the council use secure e-mail systems and gov.uk addresses for all employees and councillors rather than relying on the use of personal e-mail addresses?	Yes	C	5	Councillors and the Clerk have all been provided with fairfieldparishocouncil.gov.uk email addresses.
15.2	Are all electronic files backed up?	Yes	C	5	The Council has Acronis software. Cloud back up is via One Drive and Acronis and there is a weekly back up put on a portable hard disc.
15.3	Is the Council correctly registered with the Information Commissioner's Office (ICO) as a Data Controller for the provision of council services? Is DPO listed on certificate?	Yes	C	3	The Council is registered with the ICO - Certificate Number ZA020710 - end date 01/10/2022. The Council does not have a DPO.
15.4	Is an IT, Social Media Policy in place?	Yes	C	4	The Council has in place the following policies all up to date: <ul style="list-style-type: none"> • Communication Guidelines • Social Media and Communications Policy • Social Networking Policy
15.5	Is the council's website accessible?	Yes	C	3	The Council website contains an accessibility statement that was prepared on 12th April 2021 when it was last reviewed and tested. The test was carried out by the Webmaster for the Parish Council. IA conducted Accessibility test using Lighthouse that produced score of 88/100 and suggested opportunities to improve website accessibility.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

15. Email, Websites, IT and Data Protection			IC Obj	Gov	Comments & Recommendations
					RECOMMENDATION (as previous year but understand this is under review): Council to review: <ul style="list-style-type: none"> ● Buttons do not have an accessible name ● Links do not have a discernible name ● Background and foreground colours do not have a sufficient contrast ratio.
1	Is website up to date at the time of the internal audit in accordance with any relevant transparency code requirements?	Yes	L	3	Website contains all relevant and required information.

16. Year-End Procedures & AGAR Preparation			IC Obj	Gov	Comments & Recommendations
16.1	Accounts prepared on correct accounting basis?	Yes	J	1	Day to day and year-end accounts are prepared on a Receipts and Payments basis.
16.2	Bank statements and ledger reconcile?	Yes	J	1	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31 st March has been prepared and will be reviewed and approved by the Council in May 2022.
16.3	Is the year end bank reconciliation accurate and noted correctly on the AGAR, section, 2 line 8?	Yes	I	1	A review of the bank reconciliation for submission with the AGAR shows no errors and sums are correctly noted on the AGAR.
16.4	Do all other financial details reported at section 2 of the AGAR reflect the detail in the accounting records	Yes	J	1	Yes.
16.5	Underlying financial trail from records to presented accounts?	Yes	J	1	The manual accounting system provides a satisfactory audit trail to the underlying financial records.

17. Previous year AGAR & Exercise of Public Rights			IC Obj	Gov	Comments & Recommendations
17.1	Did Council resolve to approve, sign and minute sections 1 & 2 of the Annual Return in the correct order?	Yes		3	Section 1-Annual Governance Statement and Section 2-Accounting Statements to be presented to the Council for signing at a meeting in May 2022. Previous year AGAR approved and signed 6th May 2021 – items 57.2 and 57.3 RECOMMENDATION: The Council should ensure a resolution to approve sections 1 & 2 of the Annual Return is minuted separately .
17.2	Was the Internal Auditor report presented to Council for review with an action plan monitored to address any recommendations made?	Yes		7	Report presented to Council in May 2021 minute ref. 57.1 and the Clerk agreed to work through the recommendations.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

17. Previous year AGAR & Exercise of Public Rights			IC Obj	Gov	Comments & Recommendations
17.3	Was the External Auditor report presented to Council for review with action taken on any matters raised?	Yes		7	Report presented to Council in September 2021 minute ref. 127.1. No issue raised
17.4	Did council issue on their website a declaration that the status of the statement of accounts was unaudited?	Yes	M	4	Checked in 2021.
17.5	Did council provide a statement on their website setting out details of how public rights can be exercised clearly identifying the statutory 30 working day period?	Yes	M	4	Checked in 2021.
17.6	Was the 30-working day period for the exercise of public rights minuted when approving the AGAR?	Yes	M	4	See Minutes from May 2021, minute ref. 57.4.
17.7	Were all sections of the AGAR together with auditor reports published as required on the Council's website?	Yes	M	4	Checked in 2021
17.8	A notice of the conclusion of the external auditors' review of the AGAR with relevant accompanying information	Yes	M	4	Checked in 2021.

18. Risk Management			IC Obj	Gov	Comments & Recommendations
18.1	Does a scan of the minutes identify any unusual financial activity?	No	C	3	Minutes are prepared for all meetings of the Council, which meets 11 to 12 times per year. No unusual financial activity was found in the minutes reviewed. Council minutes are available to view on the Council's website.
18.2	Is an annual comprehensive register of assessed risks carried out and formally adopted?	Yes	C	2/5	The Council approved a Risk Assessment of Internal Controls checklist on 6 th May 2021. It is reviewed and approved annually. In addition, effective and acceptable financial control procedures are operative as stipulated in the Financial Regulations.
18.3	Are appropriate arrangements in place for monitoring community assets, play areas, open spaces and sports pitches? Are such reviews undertaken by appropriately qualified individual and or external inspectors?	Yes	C	5	Health and safety risk assessments are carried out for specific events organised by the council e.g.: Apple Day, Remembrance Day. All Council electrical equipment stored at the Community Hall is PAT tested annually. The Council does not manage any play areas.
18.4	Is Insurance cover appropriate and adequate covering land, buildings, public, employers' and hirers' liability, fidelity / employees' liability, business interruption and cyber security?	Yes	C	2/5	The level and range of insurance cover appears to be adequate for the size of the Council. £10M Employers' liability insurance £500k Appropriate level of fidelity guarantee insurance £12M Public Liability Cyber security is not included as part of the policy schedule.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

18. Risk Management			IC Obj	Gov	Comments & Recommendations
18.5	Evidence of annual insurance review?	Yes	C	5	The insurance is renewed annually in May every year. Insurance cover is currently with specialist brokers Zurich Municipal. Council agreed to a 5-year policy on 6 th May 2021. 3 insurance companies quoted for the policy.
18.6	Minutes initialled, each page identified and overall signed (approval of all minutes is in accordance with legislation)?	Yes		3	Minutes of all Council meetings are currently initialled on each page of a master copy by the Chair of the meeting and the final page is signed and dated at the meeting when they are approved. Each minute is identifiable by a unique sequential number month on month. All pages of the minutes are sequentially numbered month on month.
18.7	Does a review of council and committee minutes (and supporting papers) indicate that no actions of a potentially unlawful nature are being considered?	Yes		3	The Council has no committees. A review of minutes show that no actions of a potentially unlawful nature are being considered.
18.8	Have those responsible for risk assessment and internal controls undertaken any appropriate training during the last two years?	Yes	C	2	Clerk attended BATPC training for Transparency and Audits in February 2020. All councillors have attended New Councillor training.
18.9	Is there a letter of engagement with the Internal Auditor (or purchase order / contract)	Yes	B	6	Quotation for Internal Audit services requested and purchase order / contract issued subsequent to approval of minute ref 127.2 (September 2021).

19. Significant Events			IC Obj	Gov	Comments & Recommendations
19.1	Have any significant events occurred during the financial year that need to be reflected in the statement of accounts	No	J	8	N/A

20. Trust funds inc. Charities where council is sole managing trustee			IC Obj	Gov	Comments & Recommendations
20.1	Charities meetings and accounts reported separately?	N/A	O	9	N/A - The Council is not a trustee, nor involved in the administration of any charity.
20.2	Have the Charity accounts been separately audited?	N/A	O	9	N/A
20.3	Have the Charity accounts and Annual Return been filed within the legal time limits?	N/A	O	9	N/A
20.4	Is the Council acting in accordance with the Trust Deed?	N/A	O	9	N/A

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

Internal and External Auditor Recommendations - Have points raised at the last internal and external audit been addressed?			
Prev Ref	Action Recommended	Actioned	Actions taken and visible
1.5	Council should consider the use of electronic signatures invoices to confirm review by councillors (using Adobe or similar) should it not be possible to meet in person in the future.	YES	Noted. Invoices will be signed using electronic signatures if it is not possible to meet in person in the future.
7.2	Best Practice - The Council should consider assembling photographic evidence of all assets held.	YES	Agreed on 6 th May 2021 – item 18.1
7.5	The Council should consider the need to conduct annual health and safety risk assessments on community assets including land (also links into risk management).	YES	Agreed on 6 th May 2021 – item 20.2
9.5	The Council should ensure a resolution to approve sections 1 & 2 of the Annual Return is minuted separately.	YES	6 th May 2021 – items 57.2 and 57.3
15.3	The following statement is missing from the Data Protection Register Entry - Freedom of information statement: This data controller states that it is a public authority under the Freedom of Information Act 2000.	YES	Emailed ICO 29 th April 2021 Confirmed actioned by ICO 31 st July 2021
15.5	Council to review: <ul style="list-style-type: none"> ● Buttons do not have an accessible name ● Links do not have a discernible name ● Background and foreground colours do not have a sufficient contrast ratio. 	WORK IN PROGRESS	Website being redesigned and these comments have been noted.

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

ANNUAL RETURN		Year Ending 31 March 2021	Year Ending 31 March 2022
1	Balances brought forward	179,347	195,309
2	+ Annual precept	102,479	106,865
3	+ Total other receipts	10,720	51,365
4	- Staff costs	14,432	14,221
5	- Loan interest/capital repayments	0	0
6	- Total other payments	82,805	134,223
7	Balances carried forward	195,309	205,095
8	Total cash and investments	195,309	205,095
9	Total fixed assets and long-term assets	38,559	42,630
10	Total borrowings	0	0
11	Section 4 Annual return figures completed and cross referenced?		Yes

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

TRANSACTION SPOT CHECK						
Check No.	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Transaction type	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice
Supplier/Customer	Glasdon	Maydencroft	MailChimp	Sundown Cinemas	EE	RDS Online
Invoice/Transaction No.	51812011	13059	MC06068021	SUNINV20057	V01914928887	10276
Invoice/Transaction date	09/03/2021	21/04/22	19/06/2021	24/09/2021	23/09/21	04/10/021
Goods/services supplied	6 benches	Asbestos removal	Monthly subscription	Deposit of cinema	Phone contract	Cabinets for Artefacts
Ledger date	01/04/2021	21/04/2021	19/06/2021	30/09/2021	01/10/2021	04/10/2021
Ledger Reference	1	13	40	89	92	99
Item/Budget heading	Equipment Recreation	Recreation	Admin	Events Recreation	Admin	Recreation
Ref/cheque No.	Bank Transfer	Bank Transfer	Cash Plus	Bank Transfer	Direct Debit	Cash Plus
Authorised by	N/A	FPC00127CON	N/A	N/A	N/A	N/A
Order Minute Ref	10th December 2020 item 236	11th February 2021 item 290.1	6th May 2021 item 35.1	22nd July 2021 83.2	11th March 2021 item 322	9th September 2021 item 112.1
Delivery evidence	Received	Service received	Service received	Deposit	Service received	Items Received
Payment minute ref	Item 367.2 2020/21	item 57.6 2021/22	Item 93.4 2021/22	Item 167.3 2021/22	Item 167.3 2021/22	Item 167.3 2021/22
Insurance value	Gifted to Cricket Club	N/A	N/A	N/A	N/A	Gifted item
Payment value	5491.74	4200.00	23.10	480.00	12.00	2208.00
Statement value	5491.74	4200.00	23.10	480.00	12.00	2208.00
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded	915.24	700.00	3.85	80.00	2.00	368.00
S137 or power recorded in ledger	Highways Act 1980 ss43 50 & Local Government Act 1972 sched 145 para 27	Highways Act 1980 ss43 50 & Local Government Act 1972 sched 145 para 27	Local Government Act 1972 s111		Local Government Act 1972 s111	
Notes						
Pass	✓	✓	✓	✓	✓	✓

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

TRANSACTION SPOT CHECK						
Check No.	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
Transaction type	Invoice	Invoice	Internet purchase	Salary	NI & PAYE	Pension
Supplier/Customer	Graphix Print Solutions	Hislop & CO	E Buyer	K Henshaw	HMRC	Accscentric
Invoice/Transaction No.	18286	9522	27452498	February Wages	February Wages	February wages
Invoice/Transaction date	05/10/2021	02/11/2021	17/11/2021	03/03/2022	03/03/2022	03/03/2022
Goods/services supplied	Banners	Brown Grit	iMac Computer	Salary	NI & PAYE	Pension
Ledger date	07/10/2021	09/11/2021	17/11/2021	03/03/2022	03/03/2022	07/03/2022
Ledger Reference	102	125	136	186	187	191
Item/Budget heading	Apple Day	Recreation	Community Hall	Wages	Wages	Wages
Ref/cheque No.	Bank transfer	Bank Transfer	Cash Plus	Bank transfer	Bank Transfer	Bank Transfer
Authorised by	FPC00113	N/A	N/A	N/A	N/A	N/A
Order Minute Ref	22nd July 2021 74.1	22nd July 2021 74.1	14th October 2021 item 146.2	N/A	N/A	N/A
Delivery evidence	Items Received	Service received	Received	N/A	N/A	N/A
Payment minute ref	Item 167.3 2021/22	Item 231.2 2021/22	Item 231.2 2021/22	Item 323.2 2021/2	Item 323.2 2021/2	Item 323.2 2021/2
Insurance value	N/A	N/A	Item gifted to V Hall	N/A	N/A	N/A
Payment value	216.00	4317.60	939.48	346.61	86.80	150.00
Statement value	216.00	6317.60	939.48	346.61	86.80	150.00
Timely payment	Yes	Yes	Yes	Yes	Yes	Yes
VAT recorded	36.00	719.550	156.58	0	0	0
S137 or power recorded in ledger		Highways Act 1980 ss43 50	Local Government Act 1976 S19	Local Government Act 1972 s111	Local Government Act 1972 s111	Local Government Act 1972 s111
Notes						% split verified against gross salary
Pass	✓	✓	✓	✓	✓	✓
Comments						

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Year Ending: 31 March 2022

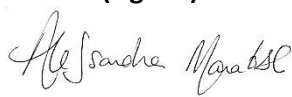
The overall internal audit assurance rating is: **VERY GOOD**.
 A full report of audited areas is included above together with recommendations. I have also attached an Action Report including all recommendations.
 I have concluded that, on the basis of the programme of work undertaken this year, the Parish Council has maintained adequate and effective internal control arrangements. I have completed and signed the "Annual Internal Audit Report" in the year's AGAR, having concluded that the control objectives set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Parish Council.

Acknowledgments

Timely responses to all requests for information to be sent electronically for the audit have been greatly appreciated and the Clerk is thanked for her efforts.

Notes for External Auditor

Not covered ticked on Annual Internal Auditor Report 2021/22 for the following reasons:
 F. Petty Cash – none held by the council
 K. Authority did not certify itself exempt from a limited assurance review

Internal audit carried out by	(signed) 	(print) Alessandra Marabese
Audit type (delete as appropriate)	ANNUAL	
Date	05/05/2022	

For internal auditor's use only

Annual Internal Audit Report form completed and signed	05/05/2022
Internal audit report sent to Council	05/05/2022

Internal Audit Summary Checklist Report for FAIRFIELD Parish Council

Action Plan - Year Ending: 31 March 2022

2021/2022 Auditor Recommendations			
Ref	Action Recommended	Actioned	FPC Proposed action plan
3.2	The Council should consider formally recording the review and approval of bank statements and bank reconciliations by members in minutes.		
5.1	Council should ensure that Standing Orders section 18 Financial controls and procurement are amended at the next possible opportunity as per NAL LTN 87 – Procurement issued in March 2022. Clerk has advised this will be done in May 2022.		
5.2	Council should ensure that Financial Regulations section 11 Contracts are amended at the next possible opportunity as per NAL LTN 87 – Procurement issued in March 2022. Clerk has advised this will be done in May 2022.		
12.3	Best Practice - The Council should consider the creation of an Asset Register Policy.		
15.5	Council to review: <ul style="list-style-type: none"> ● Buttons do not have an accessible name ● Links do not have a discernible name ● Background and foreground colours do not have a sufficient contrast ratio. 		
17.1	The Council should ensure a resolution to approve sections 1 & 2 of the Annual Return is minuted separately.		