

Internal Audit Report

For

Radway Parish Council

Year Ended 31 March 2022

Internal Auditor: Trevor B Gill

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Thursday 19th May 2021

Internal Audit for Radway Parish Council

Basis of the Report

This internal audit report is based upon the Joint Panel on Accountability and Governance Practitioners' Guide Section 4 Non-Statutory Guidance for Internal Audit issued in March 2022

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.

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Introduction

The audit was undertaken during April and May 2022. The audit has been conducted without a face to face meeting and has therefore has been conducted by email and telephone conversations.

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 to uncover any major issues.

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

Section 1 – Finance & Insurance

Radway 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. There was no expenditure under Section 137 during the period of the audit.

It should be recorded within this report that the financial records and associated procedures were carried out by the Chair until the appointment of the Responsible Financial Officer in November 2021.

Section 2 – Risk Management

It is pleasing to note that Radway Parish Council has formally adopted an Emergency Plan using the template available from the CSW Resilience Team which has been developed to provide the general information and contact details for the majority of the external services.

The Risk Assessment should be extensively reviewed and enhanced to cover all of the risks that are relevant to Radway Parish Council. In the rapidly changing environment that we find ourselves in at the present time, this document should be frequently reviewed and updated. 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

Standing Orders

A review of the standing orders was undertaken, and it is pleasing to note that since the Clerk was appointed in November 2021 a number of the standing orders and policies have been reviewed and updated where appropriate.

However, I would recommend that over the next 12 months a review of the remaining policies is undertaken and where appropriate new policies are adopted. We live in rapidly changing times, and it is important that all policies and procedures are kept under constant review.

In addition to the policies already in place it is recommended that the Council considers adopting the following policies:

Internal Audit for Radway Parish Council

Equal Opportunities; Health & Safety Policy; Document Retention.

Councillors Code of Conduct

It is recommended that the version of the Code of Conduct recommended by NALC and the Local Government Association has been adopted without change.

Agendas

A review noted that all agendas were properly issued, signed and dated

Minutes

A review of the minutes showed no unusual items and that they are properly signed as adopted.

It is pleasing to note that the recommendations made in respect of payments being itemised within the agendas and minutes has been adopted.

Section 4 – Payroll & Employees

It is pleasing to note that the responsibility for the payroll is with the Chair. The PAYE and NIC payments due to HMRC were promptly paid and properly recorded in the accounts.

Section 5 – Charities

Not applicable

Section 6 – Burial Authorities

Not applicable

Section 7 - Parish Website

Radway Parish Council has a website which not only covers the needs of the Parish Council but also includes information on the location and the various clubs and societies within the village The Council is to be commended for both the content and 'look and feel' of the website.

The accessibility requirements include the need for the website to be easy to navigate by all levels of understanding and capabilities and the website does in my opinion meet these requirements.

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.

Conclusion

Thank you for inviting me to undertake the Internal Audit for Radway 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.

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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 and copy is attached in Appendix 2

This concludes the audit.



Trevor B Gill
Monday, 17 May 2022

Appendix 1

RADWAY PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2022

Name of Council	RADWAY PARISH COUNCIL	Name of Clerk	Helen Hide-Wright
No of Councillors		Name of RFO (if different)	As above
Quorum		Precept Amount	£11,824
Electorate numbers		Gross Budgeted Income	£29,052

1.0	Finance & Insurance						
1.1	Financial Regulations & Finance Specific Policies						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	1.11	RPC - Bank Mandate			Yes	Yes	
	1.12	RPC - Financial Controls Summary			N/A	Yes	
	1.13	RPC - Financial Regulations	19 March 2020	RPC Financial Regulations.pdf	Yes	Yes	
	1.14	RPC - Investment Policy			N/A	Yes	
	1.15	RPC - Reserves Policy			Recommended	Yes	
	1.16	RPC - RFO Appointed			Yes	Yes	
	1.17	RPC - S7 The General Power of Competence			N/A	Yes	
	1.18	RPC - Standing Orders & Direct Debits			Yes	Yes	
	1.19	RPC - Previous Year End Accounts			Yes	Yes	

1.2	Book Keeping						
	Ref	Activity	Last 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			N/A	Yes	
	1.27	S137 expenditure of direct benefit to electorate			N/A	Yes	
	1.28	S137 separately recorded and within limits			N/A	Yes	
	1.29	VAT evidence, recording and recalimed			Yes	Yes	

1.3	Bank reconciliation						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	1.31	Any unexplained balancing entries in any reconciliation			N/A	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	Last 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	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.51	Committee terms of reference exist and have been reviewed			Yes	Yes		
1.52	Legal powers identified in minutes and/or cash book			Yes	Yes		
1.53	Purchase orders raised for expenditure			Yes	Yes		
1.54	Purchasing authority defined in Financial Standing Orders			Yes	Yes		

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

1.8 Insurance cover sufficient and appropriate							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.81	RPC - Insurance Policy	17 February 2022	TAP Policy Schedule.pdf	Yes	Yes		
1.82	RPC - Fixed Assets Register	31 March 2021	Asset register 21-22.pdf	Yes	Yes		
1.83	RPC - Public Liability Certificate			Yes	Yes		
1.84	RPC - Employers Liability Certificate			Yes	Yes		
1.85	Evidence of insurance review			Yes	Yes		
1.86	Does the council keep a register of all material assets owned			Yes	Yes		
1.87	Value of individual assets included			Yes	Yes		
1.88	Inspected for risk and up to date inspection records exist			Yes	Yes		

3.0 Risk Management							
2.1 Annual risk assessment review							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.11	RPC - Financial Risk Assessment	13 September 2018	RPC Risk Assessment.pdf	Yes	Yes		
2.12	RPC - Emergency Plan	01 January 2022	RPC Emergency Plan.pdf	Yes	Yes		
2.13	RPC - Internal Audit Report	20 August 2021	20210331 RPC Internal Audit Report.pdf	Yes	Yes		
2.14	Are all electronic files properly backed up			Yes	Yes		

2.2 Previous Internal Control Reports							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.21	RPC - Internal Audit Report	20 August 2021	20210331 RPC 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	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.16	RPC - Complaints Procedure	01 March 2020	RPC Complaints Procedure.pdf	Yes	Yes		
3.18	RPC - Data Protection Policy	01 April 2021	RPC Data Protection Policy.pdf	Yes	Yes		
3.23	RPC - Document Retention			Recommended	Yes		
3.26	RPC - Equal Opportunities Policy			Recommended	Yes		
3.32	RPC - GDPR Policy and Procedure	01 April 2021	RPC GDPR Policy.pdf	Yes	Yes		
3.34	RPC - Grants Policy	01 September 2020	RPC Grants Policy.pdf	Yes	Yes		
3.36	RPC - Health & Safety Policy			Recommended	Yes		
3.41	RPC - Non Financial Standing Orders	01 March 2022	RPC Non Financial Standing Orders.pdf	Yes	Yes		
3.45	RPC - Privacy Notice - General	01 April 2021	RPC Privacy Policy.pdf	Yes	Yes		
3.47	RPC - Publication Scheme	12 December 2017	RPC Publication Scheme.pdf	Yes	Yes		
3.52	RPC - Social Media Policy	01 May 2018	RPC Social Media Policy.pdf	Yes	Yes		

3.2 Councillor Code of Conduct							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.21	RPC - Code of Conduct	01 March 2020	RPC Code of Conduct.pdf	Yes	Yes	Recommend current version from SDC	
3.22	RPC - Councillor Responsibilities			Yes	Yes		
3.23	RPC - Gifts and Hospitality Policy	01 August 2020	RPC Gifts & Hospitality Policy.pdf	Yes	Yes		
3.24	RPC - Guidance On Code of Conduct			Yes	Yes		
3.23	RPC - List of member interests held			Yes	Yes		

3.3 Agendas signed, informative and displayed with a clear 3 days notice							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.31	RPC - Annual General Meeting Agenda	06 May 2021	20210506 RPC Annual General Meeting Agenda.pdf	Yes	Yes		
3.32	RPC - Monthly Meeting Agenda	15 July 2021	20210715 RPC Ordinary Meeting Agenda.pdf	Yes	Yes		
3.33	RPC - Monthly Meeting Agenda	16 September 2021	20210916 RPC Ordinary Meeting Agenda.pdf	Yes	Yes		
3.34	RPC - Monthly Meeting Agenda	18 November 2021	20211118 RPC Ordinary Meeting Agenda.pdf	Yes	Yes		
3.35	RPC - Monthly Meeting Agenda	20 January 2022	20220120 RPC Ordinary Meeting Agenda.pdf	Yes	Yes		
3.36	RPC - Monthly Meeting Agenda	17 March 2022	20220317 RPC Ordinary Meeting Agenda.pdf	Yes	Yes		

3.5 Minutes signed, pages numbered & reviewed for unusual activity							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.51	RPC - Annual General Meeting Minutes	06 May 2021	20210506 RPC Annual General Meeting Minutes.pdf	Yes	Yes		
3.52	RPC - Monthly Meeting Minutes	15 July 2021	20210715 RPC Ordinary Meeting Minutes .pdf	Yes	Yes		
3.53	RPC - Monthly Meeting Minutes	16 September 2021	20210916 RPC Ordinary Meeting Minutes .pdf	Yes	Yes		
3.54	RPC - Monthly Meeting Minutes	18 November 2021	20211118 RPC Ordinary Meeting Minutes.pdf	Yes	Yes		
3.55	RPC - Monthly Meeting Minutes	20 January 2022	20220120 RPC Ordinary Meeting Minutes.pdf	Yes	Yes		
3.56	RPC - Monthly Meeting Minutes	17 March 2022	20220317 RPC Ordinary Meeting Minutes.pdf	Yes	Yes		

4.0 Payroll & Employees

4.1 Payroll Clerk							
Ref	Activity	Last 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		

5.0 Charities

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

7.0**Parish Council Website**

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
7.01	RPC - 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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Thursday, April 28, 2022

The Parish Clerk & Responsible Financial Officer
Radway Parish Council

For The Attention of PKF Littlejohn

Internal Audit of Radway Parish Council for the year 2021-2022

It will be noted that in the Annual Internal Audit Report 2021/22 page 3 for Radway 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 Radway 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