

**Creech St Michael Parish Council Interim**  
**Final Internal Audit Report Financial Year 2021-22**

Internal audit carried out by:

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Tests	Yes/No	Comment
<b>Financial</b>		
Responsible Financial Officer (RFO)- is the appointment minuted	No	The Council is in the process of appointing a Clerk/RFO At the Council meeting on 11.02.22 Steve Altria was appointed as RFO (Part 2 minutes)
Does the Council meet the criteria and will it be signing the Certificate of Exemption 2021/22 to declare itself exempt from a limited assurance review?	No	Receipts and payments will be over £25,000 and the Council will have a limited assurance review.
Are the accounts prepared as Receipts and payments or Income and expenditure	N/A	Receipts and payments
Does the Council have a Statement of internal control?	Yes	Agreed 07.03.22 Minute ref: 10.7
Has the Council reviewed the of Effectiveness of Internal Audit?	Yes	Agreed 07.03.22 Minute ref: 10.6 The Council has carried out a very effective review (the best I have seen). It has discussed the scope of the internal audit and has put in place a plan and policy. I would like to compliment the Finance Committee and the Council on the work that has been done.
What are the Council's banking arrangements? Does it use online banking?		Council has been using online banking but is using cheques signed by 3 councillors at present while new Clerk/RFO is being appointed. Debit card has been cancelled. Banking arrangements set out in Financial Regulations and complied with.
Are there Financial Regulations in place and have they been reviewed recently?	Yes	Agreed 07.03.22. Minute ref: 10.5
Is there any petty cash? If yes, is there a procedure in place to manage it?	Partly	Expense claims are usually submitted and listed for payment. Caretaker has £100 float

		Arrangements for petty cash are included in the Financial Regulations.
Accounts – arithmetic check	Yes	Cashbook spreadsheet checked.
Are payments correctly authorised in line with the Council’s payment controls?	Yes	Schedule of payments circulated and signed by Chair or Chair of Committee as set out in the Financial Regulations,
Are staffing costs correctly recorded for the Accounting Statement?	Yes	
Are all payments included in the minutes?	Yes	Checked against spreadsheet.
Are all payments correctly recorded?	Yes	
Are any payments made using S137 correctly identified?	No	Grants/donations to the CAB can be made using LGA 1972 s142 Churchyard maintenance can be made using LGA 1972 s214 (6)
Is income correctly recorded?	Yes	Remittances provided
Was the process for agreeing the budget for 2021-22 documented and was the budget approved?	Yes	Papers circulated for Council meeting on 7 <sup>th</sup> December 2020 and agreed at Council meeting on 4 <sup>th</sup> January 2021. Minute ref: 21/9.
Was the 2021-22 precept approved and recorded in the minutes?	Yes	Precept approved at Council meeting held on 4 <sup>th</sup> January 2021. Minute ref: 21/9
Does the Council regularly review and monitor its spending against its budget and are monitoring reports produced?	Yes	Regularly reported to the Finance Committee who review the reports and take appropriate action.
Is there evidence of regular bank reconciliations and are these checked by a councillor?	Yes	Reported at Finance Committee meetings.
Does the bank balance at 31 March 2022 agrees to the accounts and Box 7 of the Accounting Statement for 2021-22?	Yes	Bank statement, bank reconciliation and accounting statement checked,
Has the variance analysis been completed?	Yes	Copy provided
Has VAT been correctly accounted for?	Yes	Spreadsheet checked
Is the VAT return accurate and completed?	Yes	VAT reclaimed up to 31.03.22
Does the Council have adequate reserves taking into account any earmarked reserves?	Yes	£25,000 uncommitted which is within the generally accepted amount of between three and twelve months of the precept. Other reserves are earmarked for specific use.
Does the Council have a General Reserves Policy? Has it reviewed the level and purpose of its earmarked reserves?	Yes	Advised that the Council does have a policy. Reserves are regularly reviewed by the Finance Committee.
<b>Risk management</b>		
Does the Council have adequate insurance cover for its needs?	Yes	5 year agreement with Zurich. This is the second year.

Does the Council have an Employer liability certificate?	Yes	
Is there a Risk register in place, is it up to date and has it been reviewed within last 12 months?	Yes	Reviewed by Finance Committee on 04.03.22 and adopted by Council on 07.03.22. The register is detailed and includes the impact after mitigation and an action section.
<b>Transparency Code (Information on website)</b>		<b>Parish councils with a 'turnover' of between £25,000 and £200,000 will be expected to follow the Local Government Transparency Code for smaller authorities but are not legally required to do so.</b>
Agendas – are they published on the website? Are agenda items clear on the decisions councillors need to make?	Yes	Agendas are published on the website and the agendas are clear on the decisions councillors need to make. Note: election of chair should be the first item on the agenda of the Annual Parish Council Meeting.
Minutes – are they adequately numbered, are decisions clear and do they include the payments that have been approved?	Yes	
Is the Annual Governance Statement 2020-21 published on the website?	Yes	Comment in internal audit addressed for 2021-22
Is the Accounting Statement 2020-21 on the website?	Yes	
Is the Asset Register on the website?	Yes	
Is the bank reconciliation at 31.03.21 on the website?	Yes	
Is there evidence of Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations?	Yes	External audit comment noted.
Are Councillor responsibilities or representation on the website?	N/C	Newly elected council that hasn't had its Annual Parish Council Meeting
<b>Staffing</b>		
Does the Clerk and any other Council employee have a Contract of employment in place?	Yes	The Council gives all employees a contract of employment
Are payroll procedures carried out correctly and PAYE and NI correctly accounted for?	Yes	HMRC payroll software used
Has the Clerk and any other employee received a Year end P60?	Yes	Copies of P60's for Assistant Clerk and Caretaker provided
Has the Clerk received any training in year?	Yes	New Clerk being appointed. Previous Clerk attended some training. The Council is committed to offering its staff training.
Have other members of staff required the training necessary for their role	No	Comment in interim internal audit noted and Council will ensure COSHH Awareness training has taken place.
Does the Council have an Absence and Sickness Policy and if not, are	No	Council is considering employing SW Provincial Councils to review all the Personnel Policies.

arrangements included in Contracts of Employment?		Absence and sickness arrangements included within contracts of employment
Does the Council have an Annual Leave Policy and if not, are arrangements included in a Contract of Employment?	No	Council is considering employing SW Provincial Councils to review all the Personnel Policies Arrangements included within contracts of employment.
Does the Council have a Grievance and Disciplinary Policy and if not, are arrangements included in a Contract of Employment?	No	Council is considering employing SW Provincial Councils to review all the Personnel Policies. Arrangement included within contracts of employment
<b>Members</b>		
Is the Council's Code of Conduct in place and up to date?	Yes	Code in place but new LGA Code of Conduct on the agenda of the Annual Parish Council Meeting to be adopted.
Are all councillors' Register of interests up to date?	N/C	Councillors have recently been elected and will all have to complete ROI's
Have councillors received any training in year?	No	No information seen
<b>Other policies and procedures (are they in place and up to date?)</b>		
Standing Orders	Yes	New Clerk to review
Anti-fraud and Corruption	No	New Clerk to do in due course
Data Protection	No	New Clerk to do in due course
Privacy Statement/s	No	New Clerk to do in due course
Awarding of Grants	Yes	The Council has a thorough process for awarding grants
Freedom of information Requests	Yes	On website
Equality	No	This will be addressed by the new Clerk
Complaints	Yes	On website
Information Publication Scheme	Yes	Comment on interim report noted and will be addressed by new Clerk
<b>Other matters</b>		
Did the Council take appropriate action on all matters raised in reports from internal and external audit.	Yes	I would like to praise the Finance Committee and the Council for all the work that they have done since the interim internal audit and for the quality of that work. My interim report has been used to create an action plan and a lot has been achieved. There are clear plans to address any outstanding points.
What are the arrangements for website management?	N/A	Council has agreed to formalise arrangements with provider to include a new PC website with no adverts.
Does the website have an accessibility statement?	No	New Clerk to do.
Will the new website be compliant with accessibility requirements?	Yes	Accessibility requirements are being taken into account during the build of the new website
Are there arrangements in place for IT backup?	Yes	2 Hard drive copies taken monthly
Does the Clerk/RFO have a good understanding of the AGAR requirements for completion?	Yes	RFO appointed in February has a good understanding.

Does the Clerk have a good understanding of GDPR.	Not covered	New Clerk being appointed
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I have carried out the internal audit for 2021/22 in accordance with what I have considered to be this authority's needs and planned coverage. On the basis of the findings in the areas examined above and in accordance with testing strategy there were no matters of non-compliance for the period 1<sup>st</sup> April – 31<sup>st</sup> March, financial year 2021/22.

*Jill Larcombe*

Jill Larcombe

12th May 2022

### **Documentation requested and inspected**

Cash book – emailed spreadsheet/s

Copies of invoices and remittances

Bank statements

Bank reconciliations and proof of any councillor checks

Budget preparation documents

Budget monitoring reports

VAT Return

Asset Register

Current Risk Assessment

Statement of Internal Control

Insurance Policy Schedule and Employers Liability Certificate –

Minutes

Financial Regulations

Copies of Contracts of Employment

Payslips

Proof of RTI submissions

Completed AGAR Forms – 2020 – 21 website, 2021-22 paper copies