Internal Audit Report

For

Meriden Parish Council

Year Ended 31 March 2022

Internal Auditor: Trevor B Gill

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Table of Contents

Table of Contents 2
Basis of the Report 3
Introduction 4
Section 1 – Finance & Insurance 4
Section 2 – Risk Management 4
Section 3 – Due Process 4
Standing Orders 4
Councillors code of Conduct 4
Agendas 5
Minutes 5
Section 4 – Payroll & Employees 5
Section 5 – Charities 5
Section 6 – Burial Authorities 5
Section 7 - Parish Website 5

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.

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 uncover any major issues.

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

Section 1 – Finance & Insurance

Meriden Parish Council uses the AdvantEDGE Finance software package provided by Edge IT Systems Limited, Enterprise House, Courtaulds Way, Coventry, CV6 5NX. This software provides a comprehensive account ting package with extensive reporting and controls specifically designed to support Parish Councils.

The functionality and reporting are very well understood by the Clerk and Responsible Financial Officer ("RFO"), and she uses the system to its best advantage.

All receipts and payments were properly accounted for and are reflected in the accounting system and the bank accounts in an accurate and timely manner.

1. A transaction level report has been produced by budget category 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. It was not practical to physically review invoices or receipts
4. The VAT returns have been submitted in an accurate timely manner
5. Section 137 expenditure was properly approved and recorded. The total expenditure under this category was within the legal limits.

Section 2 – Risk Management

It is noted that Meriden Parish Council has an Emergency Plan and a Risk Assessment which are reviewed on an annual basis. The insurance policy which is reviewed annually is considered to be comprehensive and is recorded as reviewed and accepted.

It is noted that the previous year's Internal Audit Report was considered by councillors and implemented where deemed appropriate.

Section 3 – Due Process

Standing Orders

A review of the standing orders was undertaken, and it is pleasing to note that there are a wide range of standing orders, policies, and procedures and all have been reviewed and adopted within reasonable timeframes.

The National Association of Local Councils, ("NALC") regularly update policies and advice which in turn leads to the need for changes to adopted documents. It is recommended that on the front page of each document an update schedule is included. This will enable anyone reading the document to easily identify when it was last updated, but more importantly will enable readers to be sure that the document has been updated in line with then latest advice.

Councillors code of Conduct

It is pleasing to note 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. I have also noted that when the meetings were held remotely the joining instructions were included in the agenda.

Minutes

A review of the minutes noted that all minutes for both the main Council and the Finance Committee meetings were properly issued and accepted in the appropriate meeting.

There is a requirement for all payments to be itemised within the agendas and minutes and for these items to be formally agreed and the schedule signed to confirm agreement. I am sure that this requirement is met in the paper versions that are formally signed but I would recommend that where a minute or agenda refers to payment schedules, budgets or any form of finance reports they are attached to the minutes in the file that is uploaded to the website. It is acknowledged that the majority if not all of the reports are available on the website, but I would ask the Council to consider this change in the way that information is presented on the website.

Section 4 – Payroll & Employees

It is pleasing to note that the responsibility for the payroll is outsourced. 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

Meriden Parish Council has 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 covered 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 Meriden Parish Council.

Whilst reviewing the processes, documentation, and finances it is very apparent that the affairs of the Parish Council are in very safe hands. The Clerk / RFO has a very 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.

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.

This concludes the audit.



Trevor B Gill

Appendix 1

MERIDEN - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2022

Name of Council	Meriden Parish Council	Name of Clerk	Barbara Bland
No of Councillors		Name of RFO (if different)	As above
Quorum		Precept Amount	£57,880
Electorate numbers		Gross Budgeted Income	£85,204

1.0 Finance & Insurance

1.1 Financial Regulations & Finance Specific Policies

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
1.11	MPC - Bank Mandate			Yes	Yes	
1.12	MPC - Financial Controls Summary	2021	MPC Financial Controls Summary.pdf	Yes	Yes	
1.13	MPC - Financial Regulations	29 March 2021	MPC Financial Regulations.pdf	Yes	Yes	
1.14	MPC - Investment Policy	20 March 2017	MPC Investment Policy.pdf	Yes	Yes	
1.15	MPC - Reserves Policy	28 February 2022	MPC Reserves Policy.pdf	Yes	Yes	
1.16	MPC - RFO Appointed			Yes	Yes	
1.17	MPC - S7 The General Power of Competence	Unknown	MPC S7 The General Power of Competence.pdf	Yes	Yes	
1.18	MPC - Finance Committee Terms of Reference	Unknown	MPC Finance Committee Terms of Reference.pdf	Yes	Yes	

1.2 Book Keeping

Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
1.21	Arithmetically correct			Yes	Yes	Meriden Parish Council uses the AdvantEDGE Finance software package provided by Edge IT Systems Limited, Enterprise House, Courtaulds Way, Coventry
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			Yes	Yes	
1.27	S137 expenditure of direct benefit to electorate			Yes	Yes	
1.28	S137 seperately recorded and within limits			Yes	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			Yes	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 audiotrs been issued			Yes	Yes	
	1.62	Is all petty cash spent recorded and supported by VAT receipts where applicable			Yes	Yes	
	1.63	Is petty cash expenditure reported to the Council			Yes	Yes	
	1.64	Is petty cash reimbursement carried out regularly			Yes	Yes	

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

1.8	Insurance cover sufficient and appropriate						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	1.81	MPC - Insurance Policy	01 May 2021	20210501 AXA Policy Schedule.pdf	Yes	Yes	
	1.82	MPC - Fixed Assets Register	31 March 2022	Fixed asset list.pdf	Yes	Yes	
	1.83	Evidence of insurance review	01 May 2021		Yes	Yes	
	1.84	Evidence of Public and employee liability insurace	01 May 2021		Yes	Yes	
	1.85	Does the council keep a register of all material assets owned			Yes	Yes	
	1.86	Value of individual assets included			Yes	Yes	
	1.87	Inspected for risk and up to date inspection records exist			Yes	Yes	

2.0	Risk Management						
2.1	Annual risk assessment review						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	2.11	MPC - Covid 19 Specific Play Area Outside Gym Risk Assessment	Unknown	MPC Covid 19 Specific Play Area Outside Gym Risk Assessment.pdf	Yes	Yes	
	2.12	MPC - Covid 19 Risk Assessment For Re Opening The Pavilion At Meriden Sports Park	12 August 2020	MPC Covid 19 Risk Assessment For Re Opening The Pavilion At Meriden Sports Park.pdf	Yes	Yes	
	2.13	MPC - Risk Assessment Meriden Remembrance Sunday 20211114	23 October 2021	MPC Risk Assessment Meriden Remembrance Sunday 20211114.pdf	Yes	Yes	
	2.14	MPC - Financial Risk Assessment	26 April 2021	MPC Financial Risk Assessment.pdf	Yes	Yes	
	2.15	MPC - Emergency Plan	01 March 2020	MPC Emergency Plan.pdf	Yes	Yes	
	2.16	Are all electronic files properly backed up					

2.2	Previous Internal Control Reports						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	2.21	MPC - Internal Audit Report	17 May 2021	20210331 MPC 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
	3.11	MPC - CCTV Policy	01 January 2020	MPC Cctv Policy.pdf	Yes	Yes	
	3.12	MPC - Co-Option Procedure	01 January 2020	MPC Co Option Procedure.pdf	Yes	Yes	
	3.13	MPC - Community Engagement Strategy	24 January 2017	MPC Community Engagement Strategy.pdf	Yes	Yes	
	3.14	MPC - Complaints Procedure	01 January 2020	MPC Complaints Prodedure.pdf	Yes	Yes	
	3.19	MPC - Dignity At Work Policy	01 January 2020	MPC Dignity At Work Policy.pdf	Yes	Yes	
	3.20	MPC - Document Retention	01 January 2020	MPC Retention Of Documents.pdf	Yes	Yes	
	3.21	MPC - Donations Grants Policy	01 January 2020	MPC Donations Grants Policy.pdf	Yes	Yes	
	3.24	MPC - Equalities Policy	01 January 2020	MPC Equalities Policy.pdf	Yes	Yes	
	3.34	MPC - Health & Safety Policy	01 January 2020	MPC Health Safety Policy.pdf	Yes	Yes	
	3.35	MPC - Home Working Policy	01 January 2019	MPC Home Working Policy.pdf	Yes	Yes	
	3.37	MPC - Member Employee Protocol	01 January 2020	MPC Member Employee Protocol.pdf	Yes	Yes	
	3.39	MPC - Non Financial Standing Orders	29 March 2021	MPC Non Financial Standing Orders.pdf	Yes	Yes	
	3.40	MPC - Non Financial Standing Orders Addendum	05 May 2021	MPC Non Financial Standing Oders Addendum.pdf	Yes	Yes	
	3.42	MPC - Privacy And Data Protection Policy	01 January 2020	MPC Privacy And Data Protection Policy.pdf	Yes	Yes	
	3.47	MPC - Recruitment Policy	01 January 2020	MPC Recruitment Policy.pdf	Yes	Yes	
	3.49	MPC - Safeguarding Policy	01 January 2020	MPC Safeguarding Policy.pdf	Yes	Yes	
	3.51	MPC - Social Media Policy	01 January 2020	MPC Social Media Policy.pdf	Yes	Yes	
	3.52	MPC - Training And Development Policy	01 January 2020	MPC Training And Development Policy.pdf	Yes	Yes	
	3.55	MPC - Volunteer Policy	01 January 2020	MPC Volunteer Policy.pdf	Yes	Yes	
	3.56	MPC - Whistle Blowing Policy	01 January 2020	MPC Whistle Blowing Policy.pdf	Yes	Yes	
	3.57	MPC - Zoom Meetings Policy	08 May 2021	MPC Zoom Meetings Policy.pdf	Yes	Yes	

3.2	Councillor Code of Conduct						
	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	3.21	MPC - Code of Conduct		MPC Code of Conduct.pdf	Yes	Yes	
	3.22	MPC - Grievance Policy	01 January 2020	MPC Discipline and Grievance Policy.pdf	Yes	Yes	
	3.23	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	MPC - Monthly Meeting Agenda	26 April 2021	20210426 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.32	MPC - Monthly Meeting Agenda	05 May 2021	20210505 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.33	MPC - Annual General Meeting Agenda	05 May 2021	20210505 Agenda MPC Annual General Meeting.pdf	Yes	Yes	
	3.34	MPC - Monthly Meeting Agenda	20 September 2021	20210920 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.35	MPC - Monthly Meeting Agenda	18 October 2021	../MPC Agendas/20211018 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.36	MPC - Monthly Meeting Agenda	22 November 2021	20211122 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.37	MPC - Cancelled Monthly Meeting Agenda	20 December 2021		N/A	Yes	
	3.38	MPC - Monthly Meeting Agenda	24 January 2022	20220124 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.39	MPC - Monthly Meeting Agenda	14 February 2022	../MPC Agendas/20220214 Agenda MPC Ordinary Meeting.pdf	Yes	Yes	
	3.40	MPC - Monthly Meeting Agenda	21 March 2022	20220321 Agenda MPC Ordinary Meeting.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	MPC Monthly Meeting Minutes	26 April 2021	20210426 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.52	MPC Monthly Meeting Minutes	05 May 2021	20210505 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.53	MPC Annual General Meeting Minutes	05 May 2021	20210505 Minutes MPC Annual General Meeting.pdf	Yes	Yes	
	3.54	MPC Monthly Meeting Minutes	20 September 2021	20210920 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.55	MPC Monthly Meeting Minutes	18 October 2021	20211018 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.56	MPC Monthly Meeting Minutes	22 November 2021	20211122 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.57	MPC Cancelled Monthly Meeting Minutes	20 December 2021		N/A	Yes	
	3.58	MPC Monthly Meeting Minutes	24 January 2022	20220124 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.59	MPC Monthly Meeting Minutes	14 February 2022	20220214 Minutes MPC Ordinary Meeting.pdf	Yes	Yes	
	3.60	MPC Monthly Meeting Minutes	21 March 2022	20220214 Minutes MPC Ordinary Meeting.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	

	Payroll Other						
4.2	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	4.201	Are the appropriate pensiopns provisions in place			N/A	Yes	
	4.211	Contract of employment			N/A	Yes	
	4.221	Evidence of required submissions seen			N/A	Yes	
	4.231	Has the council approved the salary to be paid			N/A	Yes	
	4.241	Other payments reasonable and approved by the Council			N/A	Yes	
	4.251	PAYE & NI Evidence			N/A	Yes	
	4.261	Requirements re disputes in place			N/A	Yes	
	4.271	Software package for salary or external			N/A	Yes	
	4.281	Tax code issued			N/A	Yes	
	4.291	Who calculatesthe monthly pay and process for review			N/A	Yes	

	Payroll / Staff Standing Orders & Procedures						
4.3	Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations
	4.301	MPC - Appraisal Policy	01 January 2020	MPC Staff Appraisel Policy.pdf	Yes	Yes	
	4.311	MPC - Contract of Employment			Yes	Yes	
	4.321	MPC - Disciplinary Policy	01 January 2020	MPC Discipline and Grievance Policy.pdf	Yes	Yes	
	4.331	MPC - Job Description			Yes	Yes	
	4.341	MPC - Staff Handbook			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 seperately audited			N/A	Yes	
	5.3	Have the charity accounts and Annual Rteurn 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	MPC - Burial Ground Regulations			N/A	Yes	
	6.02	MPC - Burial of Non Residents Policy			N/A	Yes	
	6.03	MPC - Cemetery Fees			N/A	Yes	
	6.04	Payments recieved 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 internment of ashes have a certfifcate of creation			N/A	Yes	
	6.08	Have the necessary permits, permissions and treansfer of Exclusive Burial Right (EBR) been completed correctlky, documented and approved.			N/A	Yes	

7.0	Parish Council Website						
	Ref	**Activity**	**Last Review Date**	**Hyperlink**	**Reviewed**	**Complete**	**Comments / recommendations**
	7.01	MPC - Accessability Statement re Website			Yes	Yes	
	7.02	Has the Transparency Code For Small Authorities reuirements 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	
					Yes	Yes	