



ANSTON PARISH COUNCIL

Interim Internal Audit Review January 2024

Audit Trail Checks covering April 2023 – September 2023

Provided by: Account-ant Yorkshire Limited

For: Michael Gazur, RFO

Date Issued: 18th January 2024

Where information resulting from investigation and/or audit work is made public or is provided to a third party by the client or by Account-ant Yorkshire Limited then this must be done on the understanding that any third party will rely on the information at its own risk. Account-ant Yorkshire Limited will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Account-ant Yorkshire Limited in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

Introduction & Scope

- I. Local councils in England must complete an Annual Governance and Accountability Return (AGAR) which includes an Annual Governance Statement, Accounting Statements, and an Annual Internal Audit report.
- II. Proper practices for Town Councils and the preparation of the AGAR is included in Joint Panel on Accountability & Governance (Practitioner's Guide) March 2022. A copy of which can be found on nalc.gov.uk
- III. Internal Audit is a key component of the council's system of internal control. The purpose of internal audit is to review and report to the council whether its systems of financial and other internal controls and procedures are effective.
- IV. As part of the AGAR, the council's internal auditor, acting independently and on the basis of an assessment of risk, carries out assessments of compliance with relevant procedures and controls in operation throughout the financial year.
- V. Our work with Anston Parish Council commenced on 7th January 2023 with the remote completion of an Interim Internal Audit of including transactions from April to September 2022, this was followed up by Year End Review which commenced 3rd May 2023. At the time of writing this report we were reviewing 23/24 progress.
- VI. All aspects of internal audit were covered.

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About Account-ant Yorkshire Limited

Anston Parish Council has appointed Account-ant Yorkshire Limited with the view to complete Interim and Year End Internal Audits for the Council.

Account-ant Yorkshire Limited is an Accountancy Practice owned and run by Rachel Pearson who is a CIMA Qualified Management Accountant and Member in Practice. She has been fully qualified for over 10 years and been in a finance role for over 20 years.

Rachel started of Town and Parish Council Audits in 2018 and has gained a vast amount of knowledge and experience in the subsequent years.

The Auditor for the period April 2023 to March 2024 is Rachel Pearson ACMA (MiP)

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Summary

I have reviewed a wide range of documentation including documentation provided by the Clerk & RFO as well as the Parish Council website.

Our Audits were completed remotely I have only met Michael Gazur & Andrew Woodhead via two Zoom calls.

The Council has been open and clear with regards any queries I have made.

Having reviewed the Council, I believe they are at a High standard whilst there is always room for continuous improvement even in a High standard Parish Council.

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Findings

Proper Bookkeeping

Anston Parish Council uses an Accounting System called Scribe to record all its financial transactions. The system is arithmetically correct. Monthly Reconciliations are undertaken as a minimum.

The Auditor notes this Council duplicates efforts in accounts production. Producing everything in Excel and then backing it up in Scribe.

Whilst this is not ideal, I understand it is personal preference to work in this way.

Standing Orders and Financial Regulations

Standing orders and Financial Regulations were agreed at Full Council in May 2022.

Both are accessible on the website:

Financial Regulations:

<https://www.anston.gov.uk/uploads/apc-financial-regulations-16th-may-2022.pdf?v=1653314734>

Standing Orders:

<https://www.anston.gov.uk/uploads/anston-parish-council-standing-orders-16th-may-2022.pdf?v=1653317486>

Documentation Readoption by Finance & General Purpose Committee

In the prior year, several policies were reviewed and readopted during the year, however, from reviewing the Finance meeting minutes I have not observed any discussed between April and October

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Payment Controls

Staffing

The Finance department comprises of a Clerk and RFO. Each employee has an up to date job description and has been appointed with specific duties.

Purchases above De Minimus

The Financial Regulations state that any contract over £3,000 will require 3 quotes to be obtained by the Clerk or RFO and for any amount over £100 they shall strive to receive 3 quotes.

However, it has been a struggle to find documentation which has been attributed to a change of personnel.

Items are listed below:

Supplier	Comment
Foxstone Forestry Ltd	note in September 22 meeting minutes
Rotherham MBC	No spending power as is related is MBC
C S Surveying	Note in April 2023 meeting minutes
C S Surveying	Note in April 2023 meeting minutes
BHIB Insurance Brokers Ltd	Insurance - contract therefore no quoted needd
IVECO Retail Ltd	This was for a vehicle so not much room
HAGS-SMP Ltd	Quotes seen
Peter Knights Building Contractors	Evidence of 3 quotes seen
RA & JE Cavill	Contract

Sample Review

The Auditor reviewed a sample of purchase and sales invoices. All items were found to have an audit trail and were authorised. A list of payments are given during each Finance & General Purpose meeting.

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VAT reporting

Vat returns observed. Auditor satisfied the Council are reporting VAT correctly.

S137 Expenditure

The Council has General Power of Competence and therefore is not required to report S137 expenditure separately.

As the Council has General Power of Competence they cannot use the S137 Power.

Risk Management Arrangements

Risk Assessments

The Risk Assessment was presented to Council in November 2023. It did not fall within this Interim Audit deadline but we have seen the documentation.

Burial Authorities

The council is a burial authority. The Auditor chose a small sample and reviewed the paperwork.

Unusual Financial Activity

The minutes and accounts have been reviewed for unusual financial activity and none has been identified.

Insurance Cover

Insurance cover appears to be comprehensive

Internal Controls

Evidence of Monthly internal controls being undertaken per the meeting minutes

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Investments

The Council does not have any investments

GDPR

The GDPR policy forms part of the Privacy Policy is on the website – see recommendations

Budgetary Controls

Budget Preparation

Budget meetings start in October (usually two or three) then approval by Finance Committee and referral to full council for final approval. This was January 2024

Budget Reviews

The management accounts are reviewed by the Finance and General Purpose Committee monthly this includes a variance to budget

Budget Variances

Variances to budget were observed across the Board but satisfactorily explained and the overall position is not significant.

Income Controls

Precept

The precept reviewed matches the request sent to the District Authority who does not provide a notification.

Cash and Near Cash Security

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The Council does not have Petty Cash. If cash is handled, it relates to the Allotments and is promptly banked

Multipay Card/Credit Card

The Council currently does not have a card but has recently applied for a Unity Trust Credit Card.

Payroll Controls

Staffing

All members of staff have current job descriptions and terms and conditions. The council also has an annual appraisal process.

Payroll Processing

Payroll is processed in house using Sage Payroll. Payment is made around 15th of the current month. No differences have been observed.

Expenses

Expense claims observed as part of the sampling exercise and found to be reasonable.

Approval of salaries and increments

The Council adopts NJCP terms and conditions. NJC increases are budgeted and reported to Council. These are reviewed by the Staffing Committee

Minimum Wage Threshold Met

All members of staff are paid above the National Living Wage

HR Procedures and policies adopted

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HR policies are present

Training Policy and record for staff and elected members

The RFO and Clerk have advised there is neither a Training Policy or Procedure in place but they are aware it will be attended to.

Qualified Clerk

RFO is CILCA qualified and newly appointed Clerk is working towards CILCA

Annual Staff Appraisals

Appraisals are undertaken.

H&S review of Staff Workstations and PC equipment

H&S for workstations are completed at the start of employment or when changes of health occur.

Asset Control

Register

The register is held Excel and has been reviewed by the Auditor. A full review against AGAR will be completed at year end and we would ask the Council continues to review the assets in the meantime for additions and disposals.

Insurance

Insurance appears to be comprehensive

Bank Reconciliations

One bank reconciliation presented which matches the accounts

Grants

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A log of receipt vs expenditure is kept for Grants received

Accounting Principles

The Council are operating as Income and Expenditure.

Allotments

The council owns and manages a number of Allotments and has been using third party software called Edge IT. The Council experienced some difficulty with accessing the system at year end Audit. The system is currently paper-based whilst the Council investigates implementing Scribe.

Allotments are charged pro rata based on size of plots. For 22/23 this will be £56 per 300 sq yards.

Facilities Management

Offices are rented but this is not managed through a booking system

Earmarked Reserves

The policy is on the web site (Finance page). Reserves are discussed monthly (Finance meeting) and monthly update on reserves is posted on the web site (Finance page).

Monies in Bank

The overall bank balance is higher than the FSC regulations. However, only the required amount for the normal day to day running of the Council is held in a Current Account

Year End & AGAR

This will be reviewed at year end.

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Trust Funds Independent Examination

The Recreation Ground Trust which is reported to The Charity Commission under Charity Number: 1086515 will be reviewed at year end

Other items of Note

The council is registered with the Information Commissioners Office under membership number: Z8005784 and expires in August 2024

The council has sufficient security over information and uses Cloud Storage.

Arrangement for inspection of public records

Members of the Public are welcomed to attend the Parish Council offices on any day during the inspection period. The relevant documentation will be provided for inspection on arrival

Memberships

The Council has many memberships in place in order to assist with the successful management of the Council and it's amenities.

YCLA – for advice regarding the running of the Council along with relevant training courses

ICCM – Burial Association

NAS – National Allotment Society

Open Spaces Society

Chesterfield Canal Trust

ICO

Recommendations/Further Information Required

We note these previous recommendations appear to be unactioned:

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- We recommend that the Standing Orders are in a Clear location. The Auditor used the search box to find them. Perhaps a new section called “Policies” is required
- Many of the meeting minutes state Draft – please amend as I do not believe this is correct
- The Auditor did not find the website particularly user friendly. This may be a consideration for review
- Recommend that all policies available on the website under a policies section. This is for transparency for the public.
- Recommend the Council considers Scribe Allotments as then Accounts, Cemetery and Allotments are all in one place and integrated. We note you are already investigating this

New observations/recommendations:

- It is not easy to find the meeting minutes – is there a way of directing readers to the “documents section” or changing where they sit on the website?

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