

Stockton Parish Council Internal Audit Year Ending 1st April 2022

In accordance with the instructions I have received from the Clerk of Stockton Parish Council, Mr W Robinson, I have conducted an Internal Audit of the Parish records, together with the Annual Governance Statement and Accounting Statements for the period 31st March 2021 to 1st April 2022. The report below sets out my findings and conclusions and I confirm the Internal Audit was undertaken over three days concluding on 2nd May 2022.

As in previous years, I have been informed that Stockton Parish Council updates their web site regularly to include the Government's directive 'Transparency Code for Smaller Authorities' which requires smaller Council's to publish all their policies and procedures, together with their financial records. As part of the Internal Audit, I confirm that I have undertaken a review of the web site as well as the hard copies of the documents provided.

Proper Bookkeeping

- Receipt and payment entries in the cashbook were checked and found to be up to date, correct and supported by the appropriate documentation.
- All payments were properly authorised by two authorised signatories of Stockton Parish Council.
- In addition, an audit trail of the following cheques was carried out: -

Sample Payments reviewed for the Year 31st March 2021 to 1st April 2022

Payments

<u>Cheque Number</u>	<u>Amount</u>	<u>Payee</u>	<u>Date</u>
001499	£ 606.00	WALC (Annual Sub)	
21.06.2021			
001519	£5,000.00	Stockton P/F Comm (Grant)	27.09.2021
001531	£ 172.42	SSE (St Lighting)	13.12.2021
001537	£ 116.00	D Stanley (Cemetery Extra Mow)	21.02.2022
001540	£1,500.00	Stockton VH Committee (Annual Grant)	21.03.2022

Deposits/Receipts

- All receipts were banked in a timely manner.
- In addition, sample receipts and an audit trail of the following receipts was undertaken: -

<u>Receipt Received from</u>	<u>Amount</u>	<u>Date</u>
Stockton Football Rent	£ 350.00	01.04.2021
SDC (Half Year Precept)	£13,000.00	20.09.2021
Wigley Contracts (Grant Defibrillator)	£ 1,900.00	05.05.2021
R Tudhope (Grave Reservation)	£ 150.00	14.10.2021
Stockton Football Rent	£ 350.00	04.01.2022

Checks were made of all invoices and receipts to the end of year and overall, there were no discrepancies to be found. All cheque audit trails were satisfactory, with most of the cheques matching to the correct individual invoice. However, cheque book 1501-1525 was missing, so I was unable to verify these cheques back to the Receipts and Payments Book.

Evidence was found in the minutes that a Budget Monitoring Report and bank reconciliation had been prepared regularly and presented to Stockton Parish Council.

Standing Orders, Financial Regulations and Policies

- There is evidence on the web site that Stockton Parish Council last reviewed their Standing Orders on 20th July 2020 and a copy is available to view. I would recommend that Stockton's Standing Orders are viewed annually.
- There is evidence that Stockton Parish Council reviewed, and if applicable, amended, and approved their Risk Management Policy on 4th May 2021, and it has been uploaded on to the web site.
- All payments are supported by the appropriate invoices, and they have been properly authorised by an Officer/Member of Stockton Parish Council. There is also evidence that the details have been correctly recorded with the corresponding cheque numbers in the Receipts & Payments book.
- There is no evidence that a VAT re-payment has been reclaimed for the Year ended 31st March 2022 in the cash book. As I have mentioned in previous years, Stockton PC could consider claiming VAT re-payments regularly and at least annually where the claim is over £100.00.
- It was noted that Stockton PC adopted the General Power of Competence in May 2019, therefore, there are no records of any Section 137 payments.
- It was noted that there were minute numbers for each copy of the monthly minutes which are available on the Stockton PC web site, and they are also available as hard copies. I was, therefore, able to ascertain that the minutes corresponded to the minute references in the cash book.

However, perhaps consideration could be given to numbering each page of the minutes which would assist in referencing individual items.

- It was noted that Stockton PC has a Data Protection Policy in place and there is evidence that the GDPR regulations were approved by members of the Council on 21st May 2018 and that they were reviewed on 4th May 2021 and every three years thereafter.
- There is evidence on the Stockton PC web site and minutes that the policies below were reviewed on 4th May 2021, and they will be reviewed again in three years' time i.e, May 2024:
 - a. GDPR
 - b. Communications Policy
 - c. Community Engagement Policy
 - d. Complaints Policy
 - e. Data Protection Policy
 - f. Equal Opportunities Policy
 - g. Grant Awarding Policy
 - h. Purchasing Policy
 - i. Health & Safety Policy
 - j. Publication Policy
 - k. Reserves Policy
 - l. Retention of Documents Policy
 - m. Risk Management Policy
 - n. Training Policy
- It is also noted that on 21st February 2022, a Safeguarding Policy for Young Children and Vulnerable Adults was approved, but there does not seem to be evidence of the Policy on the web site, only the heading for Safeguarding.
- It is noted that that the following policies do not appear to have been reviewed and approved: Standing Orders, Financial Regulations, Audit of Footpaths, Asset Register, Safety Audit of Playing Field, and Cemetery during the fiscal year 2021/2022.

Risk Management Procedures

- A full review of the minutes has been carried out by accessing the documents on the Stockton PC web site and looking in the Minute Book and there appears to be no unusual activities identified.
- There is evidence that a Risk Management Assessment was approved on 4th May 2021 and there is a copy on the Stockton PC web site under the Policies and Procedures Page.
- The Index to Register of Burials was included in the documents given to me although there is no evidence that a Cemetery Safety Audit was carried out during the fiscal year 2021/2022 in the minutes. However, it is recorded in the minutes as an on-going reference. Unfortunately, I am

unable to verify the accuracy of the Index and the Cemetery without an appropriate inspection of the site.

- It was noted that Came and Company are the Insurers for Stockton Parish Council and there is evidence that the annual insurance premium payment was paid on 21st June 2021. However, there are no supporting up to date documents which are available. Therefore, I was unable to ascertain whether the amount of cover was adequate, without physically inspecting Stockton PC's assets.

Budgetary Controls

- There is evidence that Stockton Parish Council has considered the level of precept for the year 2022/2023 in the minutes. A small increase will be requested of **£26,000** due to identified expenditure and the amount of reserves identified as being required for the following financial year.
- There is evidence on the Stockton PC web site and the Minute Book that a monthly Budget Monitoring Statement was prepared by the Clerk and sent to Councillors. It is noted that the budget for Stockton Parish Council supports the level of precept requested.
- As in previous years, no supporting documentation was provided regarding the cheque signatories on the Treasurers Account at Lloyds. The Internal Auditor assumes that the signatories have not changed since 2002 when they were last updated.
- It was noted that there were hard copies of Budget Monitoring Statements in the documents provided, although there was no evidence that they had been uploaded on to the web site. However, it was also noted that the financial transactions were included in each copy of the minutes on the Stockton PC web site, and they were provided in hard copy in the Minute Book. **Consideration could be given to appending a copy of Budget Monitoring document on to the minutes on the Stockton PC web site as well as the financial transactions.**
- There was no evidence of any loans in place.

Income Controls

- All income appears to have been recorded and promptly banked, where appropriate. It is noted that most other receipts have been paid by bank transfer.

Petty Cash

- There is no petty cash which has been identified and this has been recorded appropriately on the explanatory sheets for the External Auditor.

Payroll Controls

- The Clerk appears to be the only employee and there is evidence of a review of his Contract of Employment and that the Clerk's salary was increased in line with NJC rate of payment backdated to April 2021 in the minutes of 19th November 2021. The Internal Auditor has seen evidence of Mr Robinson's tax liability for the year 2021/2022 which was discharged **on 1st April 2021 according to the Receipts and Payments Ledger.**

Asset Controls

- There does not appear to be any evidence in the minutes that Stockton PC has agreed and approved the up-to-date Asset Register.
- There does not appear to be any evidence on the Stockton PC web site that the Asset Register has been approved. However, the hard copy provided to me was dated to the end of the fiscal year .

Bank Reconciliation

- There is evidence that regular bank reconciliations are carried out in the cash book, together with the provision of a statement for members of Stockton Parish Council.
- There were no unexplained entries.

Register of Interests and Code of Conduct

- There is no evidence on the Stockton PC web site that there is a Register of Members Interests available.
- **There is evidence on the Stockton PC web site that a new Code of Conduct was adopted and approved on 16th February 2022.**

Quotations

- **There was no evidence that any quotations had been received during the financial year 2021/2022.**

Year End Procedures

- The year end accounts have been prepared on the correct accounting basis of receipts and payments.

COVID-19 PANDEMIC – STOCKTON PARISH COUNCIL

- It was noted on the Stockton PC web site that there are additional headings included in respect of Coronavirus help and advice which will assist those residents who are or have been affected by the virus.
- It is noted that Stockton PC has an Emergency Plan which is available on the Stockton PC web site. There is evidence that the Chair of Stockton PC has reviewed and updated the Disaster Plan and was subsequently approved.

The accounts and associated records and documents which were examined were found to be accurate and well maintained by the Clerk. The above points are brought to the Council's attention, not by way of criticism, but for their consideration:

As I have mentioned in previous years, it was noted that Stockton Parish Council has cash reserves of **£71,794.00** at the year-end in the Treasurers Account at Lloyds Bank. As I have mentioned in previous years, whilst the Internal Auditor understands the need for cash reserves and the constraints on parish and town councils to find an account which would generate a higher rate of interest, consideration could be given to moving a proportion of the funds on deposit to another account which could provide a higher rate.

Conclusion

Stockton Parish Council's accounts and documents are maintained satisfactorily and up to date. The comments mentioned above are made by the Internal Auditor for Stockton Parish Council to evaluate and implement, if they feel that they are necessary and appropriate, and they will help the Council in the running of its business.

**Gill Peacock, CiLCA
Parish Clerk & R.F.O. (Dunchurch Parish Council)**