

SDH Internal Audit – Internal Control Questionnaire 2021-2022/Michaelstow Parish Council

Clerk/RFO Simon Mitchell Contact email – michaelstowparish@gmail.com /Tel No 01208 851356 [email preferred]

1	<p>Previous Year’s Annual Governance & Accounting Statement AGAR.</p> <p>When was it presented to Council and published on the Council’s website ?</p> <p>If audited by external audit the page relating to their conclusion of audit should have been published?</p> <p>Where an Exemption Certificate was completed, this should have been published?</p>	<p><i>When were these published on the Council’s website?</i></p> <p><i>Presented to council: April 2021 – Link to Minutes:</i> http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsapr21.pdf</p> <p><i>Between Mon 14th June 2021 to Fri 23rd July link to Public Notice:</i> http://www.parish-council.com/michaelstow/documents/audit2021/micpublic-notice.pdf</p> <p><i>Link to all audit forms & reports for 2021:</i> http://www.parish-council.com/michaelstow/index.asp?pageid=707424</p> <p><i>Please insert the links so these can be verified independently.</i></p>
2	<p>Previous Year’s Internal & External Audit Findings where appropriate?</p> <p>At which meeting were they presented to Council? (Minute reference): Minutes July 2021 Item 7c</p> <p>What action arose ? “</p>	<p><i>Please provide link to minutes</i> http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsjuly21.pdf</p> <p>The standard of administration and system of internal controls relating to the audit areas examined throughout the financial year were considered to be of a good standard.” No action taken</p>
3	<p>Review of Internal Controls</p> <p>When did Council last review its annual Risk Assessment? H & S Policies?</p> <p>Data Protection/GDPR procedures & policies?</p> <p>IT back up procedures?</p>	<p><i>Please provide all dates</i></p> <p>Annual Risk Assessment and Assets list: 2021: http://www.parish-council.com/michaelstow/documents/audit2021/michaelstowparishcouncilassetregister2021ra.pdf</p> <p>H & S Policies: no policies beyond those in insurance</p> <p>Data Protection/GDPR procedures & policies? GDPR policies integrated with website / interface with public. Data protection – all paperwork & computer in lock-up office. Clerk’s working desktop just been replaced & backup to Cloud and web based records underway in 2022.</p>
4	<p>Financial & Management Controls</p> <p>I) When did Council last review and adopt its Standing Orders?</p>	<p><i>Can you please provide a copy/or a link to them.</i></p> <p><i>Standing Orders: Last Reviewed 2020: http://www.parish-council.com/michaelstow/documents/audit2020/model-standing-orders-2019englandmich.pdf</i></p>

	<p>II) When did Council last review and adopt its Financial Regulations?</p> <p>III) At which Council meeting did Council adopt its Budget for 2022/23 & set its Precept for 2022/23? Is a 3 year forecast also included?</p> <p>iv) Budget Monitoring How often does Council monitor receipts & payments against the current year budget? Describe the process. Are specific projects monitored separately? Should costs exceed that budgeted is over spend approved formally by Council. Describe the process. Egs Transfers between budget headings etc.</p>	<p><i>Financial Regulations: Last Reviewed 2019: http://www.parish-council.com/michaelstow/documents/audit2020/michmodel-financial-regs-2019.pdf</i></p> <p><i>Budget set at meeting: November 2021 Item 7c. Link to minutes: http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsnov21.pdf</i></p> <p><i>Budget Monitoring: Both bank statement amounts and any expenditure is listed monthly in the agenda and minutes. Copies of monthly bank accounts are given to Cllr. Whitby for checking / security. Books are checked biannually, once at the November budget setting meeting, which includes a financial projection. They are also balanced to reconciliation during the April Audit.</i></p>
5	<p>Detailed Financial Internal Controls</p> <p>Provide evidence of Council checking a bank reconciliation, to determine the accuracy of the accounting system. How frequently does this happen? How is it reported/evidenced as having been done. (Who carries it out? Is it independent, are they a cheque/on line payment signatory?)</p>	<p>With a regular budget of £5000 – £6000, a reconciliation is made annually during the audit only. Bank statements and expenditure monitored at every council meeting. Duplicate bank statement supplied to a councillor for verification [Cllr. Whitby who is a signatory]. Independent verification of accounts made annually by internal auditor.</p>
	<p>Insurance & Assets Who is the Council insured with? What are the dates of the insurance cover? When did you last obtain competitive quotes for your insurance cover? Does the Council have a Fixed Asset Register or Listing? When was it last updated? Will it be updated before yearend? How are assets valued? Who checks the condition of the assets?</p>	<p>The parish council is insured with BHIB and the cover runs from 1st June annually. The clerk receives quotes from other insurance companies by email and compares them for best value and cover.</p> <p>Fixed Assets Register here: http://www.parish-council.com/michaelstow/documents/audit2021/michaelstowparishcouncilassetregister2021ra.pdf</p> <p>Needs to be updated 2022 as parish laptop defunct. Assets valued at purchase value & checked by clerk and named Cllrs on a regular basis.</p>

6	<p>Employees & Payroll</p> <p>Does the Clerk/RFO have a contract of employment? Does it conform with the NALC/SLCC model? When was it last updated? What payroll software or Payroll Contractor do you use? How many employees are there? Who independently performs checks to ensure that employees are paid the correct amount at the right time? Describe the process.</p> <p>Has the Governments Pension auto enrolment initiative been followed?</p> <p>Have entitled employees been offered the chance of joining a pension scheme in the last 3 years? What was the outcome?</p>	<p>Yes. It is a NALC standard contract initiated in 4.07.2013: http://www.parish-council.com/michaelstow/documents/audit2020/clerkcontractmich.pdf</p> <p>The clerk is the only employee and payroll is contracted to a third party DM payroll Services Payroll records kept on specialised cloud payroll website. If there are any changes to the rate of pay or hours, this is minuted and a request is sent to the bank that is co-signed by the clerk and chair.</p> <p>The clerk, the only employee, was awarded a back payment during 2021 as the hourly rates had changed. The change in salary level was checked by the clerk and presented to the council.</p> <p>The clerk is offered opportunity to enrol in a pension scheme which follows the deadlines imposed by government.</p>
7	<p>Payments - authorising and issuing legal payments</p> <p>How many councillor cheque signatories have you, how many are required to sign a cheque? If payment is made on line please confirm how many councillors are authorised to make the payment and describe the process? What supporting documents are required to support the payment.</p> <p>Is VAT accounted for separately when recording payments in the cashbook and minutes? How do you ensure you have the power to make the payment?</p> <p>Are any of your payments petty cash – of yes how are these recorded and approved and what supporting documents are kept?</p>	<p>Four councillors and the clerk are registered signatories and two signatures are required. Presently online purchases are made by the clerk or a councillor if needed and the payment returned to them by cheque on receipt of an invoice, which is minuted. Invoices are kept in hard copy and these are spot-checked on an annual basis by the internal auditor. The clerk does hold a debit card for occasional use and any purchase made on this is confirmed at a meeting or by the chair for amounts under £200.</p> <p>VAT is accounted for in the accounts and processed every couple of years as the sum is very small. Payments are ensured by keeping the annual budget within the receipt per head of council tax on which the precept is based, currently at 2.66% of council tax.</p> <p>Petty cash is not used.</p>
8	<p>Payments - Standing Orders & Direct Debits</p> <p>Please record which suppliers are paid by these methods and when Council authorised the payment method and amounts involved.</p> <p>Do you use the General Power of Competence or s137 LGA 1972?</p> <p>If GPC please confirm when council resolved to use the GPC and attach or provide link to relevant minutes.</p>	<p>Only the clerk is paid by monthly standing order in arrears and payment was authorised by the initial contract and renewed annually with permitted increments on the LC2 scale, recorded in the minutes. Standing order changes are directed in the following minutes:</p> <p>March 2021 Item 7d: http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsmar21.pdf</p>

	If S137 please confirm size of electorate and confirm if S137 spend is recorded separately in the cashbook and minutes	<p>Backdated pay request July 2021 Item 7d: http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsjuly21.pdf</p> <p>August minutes Item 7c, confirmation of amount of backpay: http://www.parish-council.com/michaelstow/documents/currentyearminutes/minsaug21.pdf</p> <p>The council has not used either the Power of Competence or s137 LGA 1972 this year.</p>
9	<p>Contracts</p> <p>(i) Does the council have any contracts for delivery of services e.g. a grounds maintenance contract/st lighting contract?</p> <p>(ii) When was the contract last reviewed and what was the process followed to ensure value for money was obtained?</p> <p>(iii) Tendering during 2021/22 – please describe the process you have followed and the value of the contract/s involved.</p>	The council employs a long-term contractual worker on a per hour basis. The work is awarded to Mr. Stephen's on the basis of the contract from Cornwall Local Maintenance Project and other work around the parish deemed as necessary by the council. The contract has not been reviewed recently and evidence, namely the good standing of the parish green, trees, hedgerows and paths, show that Mr. Stephens provides good value for money. As his health may be declining, the parish council will review a new tender when the need arises.
10	<p>VAT - How frequently do you reclaim VAT?</p> <p>When was your last claim? Are you VAT registered?</p>	Not VAT registered, infrequently claim VAT (eg 2 years ago) amounts very small.
11	<p>Receipts</p> <p>Please describe the type of income you receive and how Council ensures all appropriate income is received and banked intact?</p> <p>Any petty cash items?</p> <p>Are there approved pricing policies for lettings etc? When were they last reviewed? Are bad debts chased, written off etc?</p>	<p>Precept, VAT refunds, LMP grants – all BACS</p> <p>Grants? <i>Local Maintenance grant towards footpath upkeep £276 not claimed in 21-22</i></p>
12	<p>Reserves</p> <p>Do you have a General Reserves Policy? If Yes, please briefly explain what it is. Do you have Ringfenced Reserves? If so, please provide a breakdown.</p>	The council keep a safety margin of £1300 at the moment.
13	AGAR 2021/2022	Y

	<p>Do you expect your Annual Receipts or Annual Payments as at 31/3/2022 to be in excess of £25,000? If your response is "No" is Council applying for an Exemption from being Externally Audited? When is the decision to be made?</p>	<p><i>Specify amounts £</i> <i>Accounts not complete as this form requested for January 2022. However receipts will be less than £25k and the council will apply for an exemption</i></p>
14	<p>Accounting Records What format are your accounting records in – Excel, manual or other accounting package? Do you prepare accounts on receipts and payments or I & E basis? Describe how they are backed up? Who has access?</p>	<p>Accounts are recorded using Excel by the clerk using income & expenditure basis on a personal computer with sole access. The clerk will supply initial figures to the parish council and internal auditor for checking and confirmation. These will be backed up to storage and stored as printed files at key points.</p>

Date 01.02.22

Thank you for completing this form; it has been devised to help the audit process and as a quick checklist to ensure you are meeting crucial management controls.

Please use it as a checklist,

Best regards

Sue Hackett