

May 8, 2021

## Fremington Parish Council Internal Audit Report 2020/2021

Testing was carried out using sampling where appropriate and covering a range of financial, risk and governance assessed as appropriate for a council of this size and complexity. The findings are reported below:

### ✓ Governance and Control

All councils of whatever size are required to annually prepare and consider:

- A general and financial risk assessment covering the council's activities.
- A statement of internal control.
- Annually review any charges for services whether or not they are increased and record this in minutes.

Councils should ensure compliance with the new rules regarding General Data Protection Regulations (GDPR), which came into effect in May 2018.

Councils should have in place and periodically review:

- Standing orders for the conduct of council meetings are required by law and should be periodically review and changed to reflect current legislation.
- Financial regulations for the control of its financial administration are required by law and should be periodically reviewed for either changes in legislation or internal control procedure changes.
- Any Council moving away from 2 cheque signatories by Councillors and utilising online banking, should have procedures and controls in place to establish appropriate safeguards.

***Satisfactory. All appropriate policies were updated during the year and the Executive Officer (EO) provided information regarding arrangements put in place to mitigate difficulties for the council because of the Covid-19 pandemic.***

***There is a need to ensure that all formal copies of minutes and salary payment authorisations are appropriately signed and dated when Covid procedures ease.***

### ✓ Precept, Budgets and Reserves

The precept was agreed to the minute setting the precept, the principal authority tax collecting authority records. The receipt was traced and agreed to bank and cash book records. The precept was set after consideration of a budget and consideration of an appropriate level of

free reserves (the General Fund) which is generally accepted should lie between 3 and 12 months' expenditure.

**Satisfactory. No issues.**

✓ **Other Receipt or Income**

A sample of other receipts were tested to ensure that, as appropriate:

- That grants and interest were correctly recorded in the cash book and agreed to bank statement
- Chargeable services were correctly and promptly charged to the beneficiaries of those services and that arrangements were in place to pursue late payment.

***There is some duplication of paperwork and there may be potential to utilise the council's financial software to reduce any wastage. The clerk agreed to review this matter.***

***See below for matters arising from the detailed review of parish council burials.***

✓ **Staff Cost**

Testing was carried out as appropriate to ensure that:

- Rates of pay were as approved by Council.
- Additional hours worked were approved and supported by time records.
- Employees are paid in accordance with contractual obligations and on the correct pay date.
- Employees have a written statement of principal terms and conditions.
- That PAYE and NI are operated and paid promptly.

***The council have actioned the re-structuring exercise that became effective in 2020/21, however, it is recognised that the Covid pandemic has resulted in the need for more flexible and home working.***

***Satisfactory with no further issues.***

✓ **Payments including Bank and Petty Cash**

A sample of payments were tested as appropriate to confirm:

- Payments are made in accordance with financial regulations
- Payments are supported by invoice, receipt, expense claim, petty cash voucher or other appropriate documentation.
- Grant payments are subject to a proof of need assessment, are required to be evidenced as spent for the approved purpose, and unless having the general power of competence are made within permitted powers.
- Cheque payments are promptly cleared.
- Where payments are made other than by cheque with 2 councillor signatories the council has considered and actioned the requirements of appendix 10 of Governance and Accountability and have documented the process followed and annually review the control of wider definition "money".

***Some revisions to the accounts were required due to coding issues which were discussed with the EO. In addition, the dates used in the financial software systems continue to make reconciliations difficult and time-consuming. To assist with the***

***reconciliation of bank statements, the EO agreed to ensure that voucher numbers are to be added to bank statement entries.***

✓ **Insurance**

Insurance cover was reviewed as appropriate to confirm

- Adequate Fidelity Guarantee cover in place
- Range of cover in place has been reviewed at renewal and this has been recorded in the council minutes
- By sample test that assets other than land that appear on the Fixed Asset Register are insured or if not that there has been a decision not to cover them (for example because the excess is greater than the asset value insured).

***Satisfactory, no issues arising.***

✓ **Fixed Assets**

Tests were carried to confirm as appropriate

- fixed asset register is up to date
- additions have been correctly identified and a system exists for the identification of fixed assets
- that the disposal by scrapping, selling or part exchange of assets has been approved by council
- that where an insurance value has been used as the cost of an asset was unknown that the value is not increased as the insured value increases

***Generally satisfactory, however the following points were noted which would need to be addressed:***

- ***Deeds and historical documents of note should be kept in fireproof storage. Any excess documents could be stored with the Devon Archives.***
- ***Some deeds have still not been received by the council ie. cemetery extension 2015, Riverside properties 2020.***
- ***Executive Office agreed to investigate if the Beechfield Centre should be registered with The Land Registry. Currently the only deed held relates to the Beechfield sports ground.***

A review of the completion of the Beechfield Centre build was carried out at the audit. The EO confirmed that the project information was not in one location; however, as architects supervised the project the council may be assured by the contract certificates/valuations.

***For future projects, it is recommended that a post project evaluation is carried out and the EO agreed to take this suggestion on board.***

✓ **Burials**

A further detailed review, as requested by the EO, was carried out at this audit on records relating to transactions at the Burial Ground. It was found that:

- ***There is no formal agreement or Terms of Reference between the parish council and the Cemetery Superintendent (Gaytons) who act as agents on behalf of the council at their burial ground. One should be established as a matter of urgency.***
- ***Changes to the Terms and Condition and other cemetery documentation should clearly show that it is necessary to purchase the grave in order to have a second***

**burial, re-open the grave or erect a memorial. The length of ownership should also be clarified.**

- **There is a discretionary arrangement whereby some deceased non-parishioners are treated as parishioners if they have historically dwelt in the parish. This should be clarified, be transparent, consistently applied and included in the Terms and Conditions.**
- **Entries in the Burials Register (statutory record) are still not always in date order, but are actually in receipt order. The Burial Administration Officer confirmed that this is due to the order in which documentation is received.**
- **The date of purchase of a grave should be added for all of exclusive rights, but priority given to update records where memorials or re-opening/additional burials are requested. This will also establish when 100 years ownership will end.**

Please provide copies of the signed and authorised AGAR forms once this has been completed, refer to the audit checklist and request clarification if necessary.

Many thanks for your assistance in the completion of the audit.

Kind regards  
Julie

A handwritten signature in cursive script, appearing to read 'Julie', written in black ink.