

Sarah Kearney, Parish Clerk
Shipton on Cherwell Parish Council
22 Exeter Road
Kidlington
OX5 2DY

30th April 2023

Elaine Anstee
16 Foxwood
Aston
Oxfordshire
OX18 2DZ

Dear Sarah,

Internal Audit Report 2022-23

I have carried out an internal audit review, acting independently, and basing this review on the requirements of the Annual Governance and Accountability Return for 2022-23. I have looked at the assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls that have been in operation during the financial year ended 31 March 2023.

The bulk of this audit has been carried out using the council's website and the form attached which was completed by the Clerk prior to the audit. The form and 2 months of financial transactions were checked by the internal auditor. We met via Zoom on 17th April 2022 where the documentation that I needed to physically inspect was carried out.

Background

The clerk took on the parish of Shipton on Cherwell in early 2021 and I carried out the internal audit for 21-22 in May 2022. The clerk had already started to develop an action plan which has been worked through in 2022-23. The items for action recommended in the 2021-22 internal audit have mostly been put into place. The recommendations below are to support the work already being carried out and is not exhaustive but should be covered in the next 12 months.

1. Training budget for both Councillors and clerk. The guide for this would be between 1% and 5% of the total salary costs for the clerk plus a figure for the councillors.
2. Electronic data back-up – it would be best practice to have an encrypted hard drive/USB with regular full data back-ups kept at a separate location to all other physical and electronic data. Currently everything is backed up to the 'Cloud'.
3. RISK Assessment – This must be done as a matter of urgency to ensure that the council has proper controls in place and support the process of correct insurance levels for the council and its assets.
4. Insurance – levels for the Fidelity Guarantee and Employer's Liability need review to ensure they meet the council's needs.
5. Separately to the Risk Assessment the council's physical assets should be visibly inspected twice a year and recorded in the minutes.
6. NALC Model Standing Orders are used as the base for the council's but should have the items in bold from the model ones kept in bold for their own. These are the parts that cannot be adapted/changed by the council.

7. Financial Regulations would ideally be based on the NALC model ones and with reference to the JPAG Practitioner's Guide issued annually. Latest issued in April 2023 for the 2023-24 year.
8. New code of conduct issued in 2022 and adopted both by OCC and CDC. As the council has elections in 2023 the new code will probably be issued to all councillors and should be adopted at the first meeting after the election. Training may be made available by CDC to cover the changes and would be recommended for attendance.
9. VAT Returns – the clerk has encountered an issue with gaining access to the HMRC portal and thereby has been unable to do VAT Returns. She is working on this but may need to reregister.
10. As part of the year end process the significant variances should be published on the website.
11. The clerk has completed ILCA, one of the nationally recognised Parish Clerk Qualifications through the Society of Council Clerks, congratulations. The clerk has moved on to CILCA, which is excellent. I am sure that the council is fully supporting her in this as it will support the council in ensuring its governance is correct going forward.

In summary

The Council has reasonable arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good. The two areas that must be actioned are the risk assessment and review of the adequacy of the current insurance levels for fidelity and employer's liability.

Yours sincerely

By email

Elaine Anstee BA Hons: Community Governance

Attachments:

Page 4 of the AGAR for 2022-23 - signed

Review Framework for 2022-23

Invoice Number EAA/2023/0011