

**Computer Support
Network & PC**

Manea, Nr. March,



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**Independent Internal Audit & Training Service
for Parish and Town Councils**

25th April 2016

Bourn Parish Council
C/o 30 West Drive
Highfields
Caldecote
Cambridge CB23 7NY

Dear Sirs

I have completed an Independent Internal Audit check for the financial year end March 2016. In the time contracted to me, it is not possible to check every document and so any examples given below are not a comprehensive list. I would also remind the Council that it is not in my remit to check the accuracy of the Council accounts.

The files I inspected would appear to be in good order and I was satisfied to sign the appropriate section of the Annual Return Form.

Observations and recommendations:

CONTRACTS & PURCHASES

Bourn Airfield

The complex issues involved in the appointment of a Transport Consultant with regard to the Bourn Airfield Action Appeal have caused problems in the past with regard to ensuring best value is obtained and considering what benefit the contracting of consultancy is obtaining for the parishes involved. This year the issue seems to have been very low key, but care should be taken on any actions or decisions should the campaign reignite.

The whole campaign seems to have been lead by one individual Councillor who must take great care not to breach the legal standing of a Corporate Body i.e. no individual councillor can make any decision or take action on behalf of the Parish Council. A Parish Council cannot delegate decisions or actions to any one person other than the Council Clerk.

Section 106 money allocated from the Solar Panel Farm.

The £10,000 has been allocated for the benefit of the whole community and I understand that professional advice ruled that placing the solar panels on the school would not meet this criteria. The matter is still being considered.

I reported last year:

QUOTES FOR WORK AND CONTRACTS

“There is also evidence that several times the Council have suspended Standing Orders and Financial Regulations with regard to seeking the required number of quotes for services. It would be prudent if the Council only took this action if they were absolutely certain there were no viable alternative suppliers to undertake the contract, usually due to the specialist nature of the work. It is a Council duty to produce evidence that Best Value has been sought at all times.”

I understand that the Council will be considering the problems they are still experiencing when seeking a sufficient number of quotes for work under the current Financial Regulations parameters and will obtain professional advice on how to best meet the need to demonstrate the Council are obtaining best value.

I trust that the Parish Council have been satisfied with the level of service we have provided and that they will consider appointing Canalbs Ltd to undertake the Independent Internal Audit for the next financial year. You will note that our invoice this year was for less hours and mileage due to familiarity with the Council documents and files. Our charge has remained at £37.50 for some years but regrettably it is necessary to increase this to £39.50 per hour for the next financial year, however, in line with Inland Revenue our mileage rate will stay at 45p per mile.

Yours faithfully

Jacquie Wilson (Mrs)
Director

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Bourn Parish Council Year End 2016

CHECKING PURCHASES

Question to check	Yes/No	What needs to be reported?
What spot check purchase was chosen?		Nutcombe £370.86+£156.72+£12.50
Was the proposal on the agenda?	Yes	
Were three clear days notice given?	Yes	
Did councillors make legal decision?	Yes	
Evidence they check statutory power?	Yes	
Was provision made in the Budget?	Yes	
Did they conform to Standing Orders?	Yes	
Did they conform to Financial Regs?	Yes	
Was order placed with agreed supplier?	Yes	
Were the goods delivered?	Yes	
Was the invoice for the correct amount?	yes	£648.09
Was cheque for correct amount?	Yes	
Was it signed by minimum of 2 councillors?	Yes	
Are they the signatories on mandate?		
Has the cheque cleared through the bank?	Yes	
Account reconciled?	Yes	
Reclaimed the VAT?	Yes	

CHECKING EMPLOYMENT

Question to check	Yes/No	What needs to be reported?
Is the council registered with HMRC?		
Are all staff paid above minimum wage?		
Are salaries paid in line with council approval?		
Is PAYE payroll operated correctly?		
How are other payments to staff approved?		
Are Annual Returns made to HMRC?		
Is the clerk an employee?		
Do all employees have a contract?		
Do all employees have a job description?		
Is there a staff appraisal process?		
Is there a written staff grievance procedure?		
Are all vacancies advertised?		

CHECKING AGENDAS

Question to check	Yes/No	What needs to be reported?
Are councillors summoned to meetings?	Yes	
Are the public & press invited?	Yes	
Are three clear days given?	Yes	
Are they signed by Clerk/Proper Officer?	yes	
Is an approved copy kept signed by chairman?	Yes	
Is there a contact address?	Yes	
Was the Annual Meeting of Parish Council held in May?	Yes	20th May
Is the 1 st item on Annual Meeting the election of the Chair?	Yes	
Was the Annual Parish Meeting held between 1 st March and 1 st June?		27 th May
Do they have "Any Other Business"?	No	

Do they have “Matters Arising”?	No	
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CHECKING MINUTES

Question to check	Yes/No	What needs to be reported?
Is there an official signed Minute Book? *	Yes	
Are each set initialled and signed?	Yes	
Is there sequential numbering in ringbinder?	Yes	
Are decisions being made under AOB?		None found in spot check
Are decisions being made in Matters Arising?		Used correctly in spot check
Does decision making comply with Standing Orders?	Yes	
Are Minutes verbatim reports?	no	Reasonable
Evidence of declaration of interests?	Yes	
Evidence of public participation?	No	
Evidence of council approval of all payments?	Yes	
Evidence that planning applications are considered in public meetings?	Yes	
Evidence of a S.137 decision?	Yes	

CHECKING ETHICAL FRAMEWORK

Question to check	Yes/No	What needs to be reported?
Are there current Declaration of Acceptance of Office Forms for each councillor as members?	Yes	
Has the Chairman signed as Chair?	Yes	
Is the Register of Interests Book up-to-date?	yes	Reviewed at Annual Meeting
Is there evidence it is regularly monitored?	Yes	
Is there evidence that councillors are declaring interests at meetings?	Yes	
When declaring “prejudicial” interests are councillors leaving the meeting?	Yes	
Dispensation Grant Policy	Yes	

CHECKING CONTRACTORS

Question to check	Yes/No	What needs to be reported?
Evidence they seek Best Value		
Evidence they check that the proposed contractor has their own		
Public Liability Insurance		
Relevant qualification to undertake job		
Certificates – if required		
Own equipment regularly checked		
Observes H & S at work regulations		
Councillors not being paid to undertake work for the council?		

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CHECKING LEGISLATION REQUIREMENTS

A

Question to check	Yes/No	What needs to be reported?
Has Council formally written and adopted the following:		
Asset Register *		
Risk Management Policy *		
Freedom of Information Publication Scheme		
Data Protection Register		
Standing Orders		
Financial Regulations		
Disability Access Policy		
Fire Certification for buildings		
Staff Grievance Procedure		
Council Complaints Procedure		
Ethical Framework July 2014		
Archive Policy		

B

Question to check	Yes/No	What needs to be reported?
Is there evidence in the Minutes that these are regularly monitored and updated when required?		
Asset Register *		
Risk Management Policy *		
Freedom of Information Publication Scheme		
Data Protection Register		
Standing Orders		
Financial Regulations		
Disability Access Policy		
Fire Certification for buildings		
Grievance Procedure		
Archive Policy *		
Dispensation Policy		

CHECKING INSURANCE

Question to check	Yes/No	What needs to be reported?
Do they have current insurance policy?	Yes	Came & Co Oct 2016
Public Liability	Yes	£10m
Fidelity Guarantee	Yes	£500,000
Employer's Liability	Yes	£10m
Cover for all assets on register *		Looks OK
Any other insurance requirements	none	

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CHECKING VAT

Question to check	Yes/No	What needs to be reported?
Is the council registered to charge VAT?	No	
If yes – are they charging it?		
Are VAT claim forms being completed?	Yes	
If so – at what intervals?	Annually	
Is there evidence that they understand what can be reclaimed?		
For non-business activity?	Yes	
Business activity?	Yes	
Apportioned reclaims?	Yes	
Not claiming on 3 rd party purchases?		None found in spot check

CHECKING BUDGETS AND BUDGETARY CONTROL

Question to check	Yes/No	What needs to be reported?
What was the year's precept request?		£31,199
Precept request justified with Budget ?	Yes	
Is it approved by the whole council?	Yes	
Precept request sent on time to District?	Yes	
Does it comply with Dist.Coun. notification?	Yes	
Has it been paid into correct bank account?	Yes	
Is a formal budget prepared?	yes	
Does it reflect sufficient detail of assets?	Yes	
Is it approved by the whole council?	Yes	
Is Section 137 set and within limits?	Yes	
Level of General Reserves?		£39,950
Level of Earmarked Reserves?		£35,598
Is there evidence in minutes that these are still "live" projects?	Yes	
Evidence of Budgetary Control Statements?	Yes	

CHECKING BOOK-KEEPING & BANK

Question to check	Yes/No	What needs to be reported?
S.137		
Is it recorded correctly in Cash Book?	Yes	
Is annual expenditure within limits?	Yes	
Is each bank account regularly reconciled?	Yes	
Cash Book		
Is it up to date and correct?	Yes	
Are all payments supported by Invoices/receipts Authorised Minuted	Yes Yes Yes	
Income		
Is it properly recorded & analysed?	Yes	
Is it promptly banked?	Yes	
Have fees been charged at correct rate?	N/a	

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CHECKING RISK MANAGEMENT & ASSET CONTROL *

Question to check	Yes/No	What needs to be reported?
Scan Minutes for unusual financial activity		None found in spot check
Review Asset Register & compare with insurance schedule		Looks reasonable
Check security for Cash Valuables Documents – Covenants – Deeds - etc Official Minute Books	N/a N/a N/a	Regularly archived
Risk Assessment:		
Do checks compare to Risk Mgmt Policy	Yes	
Is there a robust monitoring process?	Yes	
What is system for action on reports?		Goes to council meetings
What system picks up failure in assessment process?		Clerk

CHECKING YEAR END FIGURES & RETURN

Question to check	Yes/No	What needs to be reported?
Do Year End Accounts agree with Cash Book?	Yes	
Does Bank Reconciliation agree with Accounts	Yes	
Evidence in Minutes of council approval of end of year accounts?	No	Will go to May Meeting
Has Section 1 of Annual Return been completed in accordance with Accounts?	No	Will go to May Meeting
Has Section 2 of Annual Return been completed and correctly considered?	No	Will go to May Meeting
Evidence in Minutes of council approval of Of Statement of Assurance on Annual Return	No	Will go to May Meeting
Evidence in Minutes of council receiving IIA report	Yes	
Evidence in Minutes of council receiving report from External Auditor	Yes	
Will the completed Annual Return be posted on the noticeboard?	Yes	
Do they understand the correct public inspection period which has to be given?	Yes	

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CHECKING ALLOTMENTS

Question to check	Yes/No	What needs to be reported?
Do they own allotments?		Leased
Do they have adequate records of tenants?		With association
Do they have public liability insurance?	N/a	
How do they collect rental – cash policy?	N/a	
Have they got maintenance budget?	N/a	

CHECKING - ARE THEY A BURIAL AUTHORITY

Question to check	Yes/No	What needs to be reported?
Are they a burial authority?	No	
If yes:		
Do they have public liability insurance?		
Do they have written Risk Management Policy?		
Do they have burial records?		
Do they have up-to-date plan of site?		
Have they got maintenance provision in budget?		
If no:		
Are they responsible for Closed Churchyard?		
Do they have public liability insurance?		
Do they have written Risk Management Policy?		

CHECKING PLAYGROUND MANAGEMENT

Question to check	Yes/No	What needs to be reported?
Do they own playground?	Yes	
Is it professionally inspected annually?	Yes	Playsafety Ltd
Do they have public liability insurance?	Yes	
Do they have written risk management policy?	Yes	
Have they got maintenance budget?	Yes	

CHECKING GENERAL POWER OF COMPETENCE

Question to check	Yes/No	What needs to be reported?
Are they using the General Power of Competence?	No	
Is there a formal resolution in the Minutes for current Council term? (full council)		
Is there evidence that Council has regard to Principal Authority's Community Strategy Policy?		
Do projects achieve the promotion or improvement of economic, social or environmental well-being?		
Eligibility:		
At least two thirds of council stood for election?		
80% of current members attended training?		
Have a correctly qualified Clerk? CiLCA module 7		
Published Statement of Intent to Community Engagement?		
Is there evidence they have told their community they have using this power?		