


<b>Littlemore Parish Council</b>					
<b>Financial Year 2021-22</b>				<b>IAC Audit and Consultancy Ltd</b>	
<b>Year End</b>	<b>Internal Audit Observations</b>			<b>Visit date:</b>	8- September -2022
<b>A</b>	<b>Appropriate accounting records have been properly kept throughout the financial year.</b>				
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	Have Minutes been signed in accordance with the requirements of Schedule 12-paragraph 41 (2) the Local Government Act 1972 (this requires each page to be initialled and the final page signed)	<i>It was noted that a number of Minutes had not been signed in accordance with the requirements of the Local Government Act 1972.</i>  <i>It is unclear whether the Council has signed copies of Minutes for all meetings held during the year.</i>	The Council to ensure that Minutes of meetings are signed in accordance with the legislative requirements. In particular Minutes of meetings should be initialled on each page and signed and dated on the final page.  The Council to conduct a full review of all Minutes held during the 2021-22 financial year and ensure that signed Minutes are available for each of these meetings.	High	Already in place for current and future meetings. Is this in hand for last year?
<b>B</b>	<b>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>				
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	Has a Responsible Finance Officer (RFO) been appointed with specific duties in accordance with section 151 of the Local Government Act 1972?	<i>It was noted that the 2021-22 Accounting Statements have been signed by the RFO. It was not possible from a review of records to verify how the RFO was appointed (see Observations in Box G). It is understood that the current RFO was to be appointed on a temporary basis.</i>	The Council MUST formally appoint an RFO. This should be formally documented in either a Contract of Employment or Council Minute.	High	To be addressed by Cllr Willis as Chairman of the Council
2	How has RFO been appointed (Contract/Financial Regulations/ Council Resolution)?	<i>It was noted that the Council Financial Regulation 1.8 states that the Clerk is RFO, however the Council does not currently have a Clerk in place.</i>	The Council to consider who, in the absence of the Clerk, is to act as RFO.	High	Amended version of the Financial Regs to be published by the RFO

Littlemore Parish Council Finance and General Purposes Committee meeting, Thursday 27th November 2022

3	Are bank signatory arrangements (the bank mandate) in accordance with Financial Regulations?	<i>It is understood that the Council does not have signatory arrangements in place for the Lloyds Business account.</i>	The Council to ensure that it has updated signing arrangements in place for all of its bank accounts.	Medium	Cllr Stewart to arrange to become an effective signatory to this online account
4	Have tenders been obtained as set out in Financial Regulations?	<i>It was noted that the Council sought to obtain services in the year through a tender process which did not comply with the requirements of its Financial Regulations (the Contract was not subsequently awarded).</i>	See below	High	This relates to a blunder by the previous Clerk which the Council should ensure is not repeated
5	Has the Council complied with the requirements of the Public Contract Regulations?	<i>It was noted that the Council sought to obtain services in the year through a tender process which did not comply with the requirements of the Public Contract Regulations.</i>  <i>27 April 2021 Full Council Meeting minute reference FIN.96/21 considered two quotes for Herschel Crescent Fencing (Cycle Trackside) which exceeded £25,000. The Council agreed not to use Contract Finder instead the Council agreed to publish the tenders on the Council website</i>	The Council to note that the Minutes of 27th April 2021 are not correct in stating that the Council may advertise a Contract, with an expected value above £25,000, without using the Contract Finder website.  In future the Council to ensure that if it advertises for any contract with a value above £25,000 it publishes the opportunity on Contracts Finder.	High	This relates to a blunder by the previous Clerk which the Council should ensure is not repeated
6	Are Powers under which grants are made clearly specified in Council Minutes?	<i>The Council does not formally record the Powers under which grants are awarded in Minutes.</i>	The Council to ensure that the appropriate Power under which grants are made is recorded in the Minutes of the meeting in which the grants are approved	Medium	RFO does not attend let alone minute Full Council. Cllr Willis to take forward
7	The number of bank accounts in use is appropriate given the volume of transactions and level of balances	<i>Council has a number of bank accounts which are not being actively used. One of these accounts cannot be used due to lack of authorised signatories.</i>	The Council to review the number of bank accounts in use and consider reducing them.	Medium	Council has agreed to close two low-interest deposit accounts. RFO to take this forward

Littlemore Parish Council Finance and General Purposes Committee meeting, Thursday 27th November 2022

<b>C</b>					
<b>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>					
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	The Council, as a body, has undertaken a formal review of risk (this cannot be delegated to sub-committee) - Interim Audit	<i>It was noted that the Council has given a Negative Response on the Annual Governance Statement to Assertion 5 which relates to the review of Risk. It was further noted that Councils Minutes of 27th April 2021 (FC.85/21) record Council review and approval of Financial Risk Assessment.</i>	The Council to review and confirm whether the response given on the Annual Governance Statement is correct given that a review of Risk was confirmed in the Minutes of the meeting held on 27th April 2021.	High	On agenda of this F&GPC meeting. Needs to go to Full Council no later than March 2023
<b>D</b>					
<b>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>					
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	The Council has reviewed any points raised by the External Auditor as required	<i>From a review of Minutes it was not possible to verify that the Council has reviewed the report of the External Auditor.</i>  <i>External Auditor Report 28 September 2021 raised points in relation to the 2019-20 Exercise of Public Rights and the Council 2020-21 Accounting Statement Box 7 and Box 8 values.</i>	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	No External Audit report for 2021-22 yet received
2	Council has returned to IAC completed Internal Audit Observations spreadsheets from prior audit(s)	<i>The Council has not provided its response to the Internal Audit Observations from the previous audit and returned it to IAC.</i>	Council to provide its comments on the previous Internal Audit Observations.	Medium	Previous Clerk did not put report before Council. RFO to take forward
3	Accounting system opening balances agree to prior year Annual Return	<i>It was noted that there is a difference of £19 between the 2021 Box 7 number and the 2022 Box 1 numbers in Alpha (the prior year Box 1 and Box 3 numbers are different between Alpha and the AGAR Accounting Statement). The Council has restated the 2021 numbers in the 2022 Accounting Statements.</i>	Council to note.	Medium	This was due to previous Clerk's failure to obtain information about the Council's National Savigs Investment Account

Littlemore Parish Council Finance and General Purposes Committee meeting, Thursday 27th November 2022

4	Level of Reserves were appropriate, their purpose is identified	<i>The Council holds reserves which significantly exceed the precept. A significant proportion of these funds relate to CIL.</i>	The Council to put in place a specific plan for the utilisation of reserves held. In particular the Council to note the 5 year time limit for the spending of CIL monies.	Medium	RFO has repeatedly brought to Council's attention CIL and Section 106 deadlines. While outrageous level of reserves is down to previous Council, it is for present Council to resolve
<b>G</b>	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.				
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	Contracts of employment are available	<p><i>It was noted that there is no contract in place for the RFO. It is understood that the appointment was intended to be on a short term basis.</i></p> <p><i>It was also noted that other staff are being rates based on either NJC rates or living wage but that these contractual changes have not been confirmed in writing.</i></p>	<p>The Council to review the employment arrangements for the RFO and ensure that some form of formal contract or documentation of these arrangements is put in place.</p> <p>The Council to review and confirm the contractual basis for rates of pay for staff. This should include specific reference to the either the NJC pay scales applicable or the appropriate Living Wage. This should be confirmed in writing to each member of staff and a copy retained on staff</p>	High	Personnel Committee to take forward. Fault in some cases lies with previous Clerk
<b>H</b>	Asset and investments registers were complete and accurate and properly maintained.				
<b>No.</b>	<b>Audit Test</b>	<b>Observation</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Comments</b>
1	The asset register has been subject to review by Council	<i>The asset register has not been subject to review by Council</i>	The Council should formally review the asset register each year prior to the approval of the Accounting Statements	Medium	On agenda of this F&GPC meeting. Needs to go to Full Council no later than March 2023
2	Assets purchased / disposed of have been added to / removed from asset register	<i>The RFO has reviewed the asset register and identified changes in the year. As at the date of the audit visit the asset register had not been updated to reflect these changes.</i>	<p>The asset register must be updated to include all items purchased/disposed of during the year.</p> <p>The Council to formally approve the updated asset register and any items that have been added to, or removed from the asset register</p>	High	On agenda of this F&GPC meeting. Needs to go to Full Council no later than March 2023

Littlemore Parish Council Finance and General Purposes Committee meeting, Thursday 27th November 2022

I Periodic bank account reconciliations were properly carried out during the year.					
No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Bank reconciliations have been signed and dated as evidence of independent review (Year End)	<i>Bank reconciliations have not been signed and dated as evidence of independent review</i>	Bank reconciliations which have been subject to review should be signed and dated as evidence of this review.	High	RFO to take forward
N The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).					
No.	Audit Test	Observation	Recommendation	Priority	Comments
1	The Council has published the unaudited Statement of Accounts (Section 2 of the Annual Return) in accordance with the requirements of Regulation 15 (2) of the Accounts and Audit Regulations	<i>It was noted that the 2020-21 Accounting Statement published on the Councils website is unsigned. It was noted that the 2021-22 Accounting Statements published have been signed.</i>	The Council to ensure that a signed version of the 2020-21 Accounting Statement is published on the Councils website.	High	Need to establish whether signed copy even exists
2	The Council has published the Annual Governance Statement on its website in accordance with the requirements of Regulation 13 of the Accounts and Audit Regulations	<i>It was noted that the 2020-21 Annual Governance Statement published on the Councils website is unsigned. It was noted that the 2021-22 Annual Governance Statement published has been signed.</i>	The Council to ensure that a signed version of the 2020-21 Annual Governance Statement is published on the Council's website.	High	Need to establish whether signed copy even exists
Geoffrey Ferres					
Responsible Financial Officer					
Thursday 20th October 2022					