

Internal Audit Report  
For  
Lighthorne Parish Council  
Year Ended 31 March 2022  
Internal Auditor: Trevor B Gill

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Monday, 27 June 2022

# Internal Audit for Lighthorne Parish Council

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## Internal Audit for Lighthorne Parish Council

### Basis of the Report

This internal audit report is based upon the Joint Panel on Accountability and Governance Practitioners' Guide Section 4 Non-Statutory Guidance for Internal Audit issued in March 2022

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvements in these processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations, and applying the approach to internal audit and testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity, and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

**NB: It would be incorrect to view the internal audit as the detailed inspection of all records and transactions of the Council in order to detect fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be the day-to-day function of the staff and councillors and not left for internal audit.**

## Internal Audit for Lighthorne Parish Council

### Introduction

The audit was undertaken during April and May 2022. The audit has been conducted without a face to face meeting and has therefore has been conducted by email and telephone conversations.

Where it was not practical to review documents, invoices, receipts, or registers, I will be pleased to review these if deemed necessary or advisable by either the Council, the Clerk / Responsible Financial Officer, (“RFO”) or if specifically requested by a member of the public. However, based upon all of reviews in my opinion this review, if requested, is unlikely uncover any major issues.

For detailed information regarding each section of the audit please refer to Appendix 1.

### Section 1 – Finance & Insurance

Lighthorne Parish Council uses an Excel spreadsheet for recording it’s financial transactions. The number of transactions is very small, and this is appropriate for a Council of this size.

All receipts and payments were properly accounted for and were reflected in the accounts and the bank accounts in an accurate and timely manner.

1. A transaction level report has been produced and this has been reviewed and no anomalies were found
2. A random sample of the transactions were cross referenced to the minutes and no concerns were raised
3. There was no expenditure under Section 137 during the period of the audit.

### Section 2 – Risk Management

It is noted that Lighthorne Parish Council has adopted an Emergency Plan which covers the general information and contact details for the majority of the external services. Local information has also been included resulting in a consolidated emergency plan.

This plan will assist the community to respond to a major incident / emergency

The Risk Assessment should regularly reviewed to ensure that all of the risks that are relevant to Lighthorne Parish Council and their control procedures are relevant and up to date. This is particularly important as in the unlikely event of an insurance claim the insurers would almost certainly request sight of this document.

The insurance policy which is reviewed annually is considered to be comprehensive and is recorded as reviewed and accepted.

### Section 3 – Due Process

#### Standing Orders

A review of the standing orders was undertaken, and it is recommended that a review of the policies is undertaken and also the policies are reviewed in line with the WALC list of recommended policies. It is recommended that when policies are reviewed an update schedule is included on the first page showing the date on which the policy was adopted.

#### Councillors Code of Conduct

It is pleasing to note that the Parish Council has recently adopted LGA approved version of the Code of Conduct.

#### Agendas

A review noted that all agendas are of a high standard and were properly issued signed and dated

## Internal Audit for Lighthorne Parish Council

### Minutes

The minutes are of a high standard and showed no unusual items and that they are properly signed as adopted.

### Section 4 – Payroll & Employees

Invoices are received and properly approved in respect of the Clerk and Responsible Financial Officer.

### Section 5 – Charities

Not applicable

### Section 6 – Burial Authorities

Not applicable

### Section 7 - Parish Website

I have reviewed the Parish Council's website and find it comprehensive in terms of the documents and information that it places in the public domain.

I believe that the requirements under the Transparency Act 2014 and the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 are being met. However, I could not find the Accessibility Statement as required under the relevant legislation.

It is noted that for all files that are uploaded that relate to Parish Council business are in pdf format which is good practice. This considerably reduces the risk of files in other formats being downloaded and amended. In addition, files in formats other than pdf are much more difficult to view in browsers and this could lead to issues under the accessibility requirements.

### Conclusion

Thank you for inviting me to undertake the Internal Audit for Lighthorne Parish Council.

Whilst reviewing the processes, documentation, and finances it is very apparent that the affairs of the Parish Council have been in very safe hands. The Clerks & Responsible Financial Officers have implemented a high standard of internal control and documentation and fully they understand the governance and financial requirements associated with Parish Councils.

Where I have made recommendations above it is for the Council to consider whether they are appropriate and should be implemented.

As in previous years the section relating to petty cash in the AGAR Return Part 3 item F has been duly marked as not covered. This does not imply anything untoward regarding the Parish Council accounts, rather this is a response required by the external auditor and in the case of Lighthorne Parish Council it means that there is no petty cash. A letter covering this item has been provided in accordance with the external audit requirements, Appendix 2.

This concludes the audit.

Trevor B Gill  
Monday, 27 June 2022

# Appendix 1

## LIGHTHORNE PARISH COUNCIL - INTERNAL AUDIT CHECKLIST - YEAR ENDED 31 MARCH 2022

Name of Council	LIGHTHORNE PARISH COUNCIL	Name of Clerk	Laura Newberry
No of Councillors		Name of RFO (if different)	As above
Quorum		Precept Amount	£14,130
Electorate numbers		Gross Budgeted Income	£25,262

<b>1.0</b>	<b>Finance &amp; Insurance</b>						
<b>1.1</b>	<b>Financial Regulations &amp; Finance Specific Policies</b>						
	<b>Ref</b>	<b>Activity</b>	<b>Last Review Date</b>	<b>Hyperlink</b>	<b>Reviewed</b>	<b>Complete</b>	<b>Comments / recommendations</b>
	1.11	LPC - Bank Mandate			Yes	Yes	
	1.12	LPC - Financial Controls Summary			Yes	Yes	
	1.13	LPC - Financial Regulations	09 February 2021	<a href="#">LPC Financial Regulations.pdf</a>	Yes	Yes	
	1.14	LPC - Investment Policy			N/A	Yes	
	1.15	LPC - Reserves Policy	10 August 2021	<a href="#">LPC Reserves.pdf</a>	Yes	Yes	
	1.16	LPC - RFO Appointed			Yes	Yes	
	1.17	LPC - S7 The General Power of Competence			N/A	Yes	
	1.18	LPC - Standing Orders & Direct Debits			N/A	Yes	

<b>1.2</b>	<b>Book Keeping</b>						
	<b>Ref</b>	<b>Activity</b>	<b>Last Review Date</b>	<b>Hyperlink</b>	<b>Reviewed</b>	<b>Complete</b>	<b>Comments / recommendations</b>
	1.21	Arithmetically correct			Yes	Yes	
	1.22	Evidence of Internal Control			Yes	Yes	
	1.23	Ledger maintained and up to date?			Yes	Yes	
	1.24	Payments ledger supported by invoices, authorised and minuted			Yes	Yes	
	1.25	Regular reporting and minuting of bank balances			Yes	Yes	
	1.26	S137 expenditure minuted			N/A	Yes	
	1.27	S137 expenditure of direct benefit to electorate			N/A	Yes	
	1.28	S137 seperately recorded and within limits			N/A	Yes	
	1.29	VAT evidence, recording and recalimed			Yes	Yes	

<b>1.3</b>	<b>Bank reconciliation</b>						
	<b>Ref</b>	<b>Activity</b>	<b>Last Review Date</b>	<b>Hyperlink</b>	<b>Reviewed</b>	<b>Complete</b>	<b>Comments / recommendations</b>
	1.31	Any unexplained balancing entries in any reconciliation			Yes	Yes	
	1.32	Bank statements and ledger reconcile			Yes	Yes	
	1.33	Evidence of quarterly reconciliation check as per Financial Regulations			Yes	Yes	
	1.34	Is there a bank reconciliation for each account			Yes	Yes	

1.4 Budget and Precept							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.41	Annual budget to support the precept			Yes	Yes		
1.42	Any reserves earmarked			Yes	Yes		
1.43	Any unexplained variances against budget			Yes	Yes		
1.44	Has budget been discussed and adopted by the Council			Yes	Yes		
1.45	Precept demand correctly minuted			Yes	Yes		

1.5 Purchase Orders							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.51	Committee terms of reference exist and have been reviewed			N/A	Yes		
1.52	Legal powers identified in minutes and/or cash book			N/A	Yes		
1.53	Purchase orders raised for expenditure			N/A	Yes		
1.54	Purchasing authority defined in Financial Standing Orders			N/A	Yes		

1.6 Petty Cash							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.61	If no petty cash has letter to auditors been issued			Yes	Yes		
1.62	Is all petty cash spent recorded and supported by VAT receipts where applicable			N/A	Yes		
1.63	Is petty cash expenditure reported to the Council			N/A	Yes		
1.64	Is petty cash reimbursement carried out regularly			N/A	Yes		

1.7 Year end accounts prepared on correct accounting process							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.71	LPC - End of Year Accounts			Yes	Yes		
1.72	Bank statements and ledger reconciles			Yes	Yes		
1.73	Underlying financial trail from records to presented accounts			Yes	Yes		
1.74	Where appropriate, debtors and creditors properly recorded			Yes	Yes		
1.75	Has the council agreed, signed and minuted sections 1 & 2 of the annual return			Yes	Yes		
1.76	AGAR Part 2			N/A	Yes		
1.77	AGAR Part 3			Yes	Yes		
1.78	End of Year Accounts			Yes	Yes		
1.79	Standing Orders & Direct Debits			Yes	Yes		
1.80	Do arrangements for public inspection of council's records exist			Yes	Yes		

1.8 Insurance cover sufficient and appropriate							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
1.81	LPC - Insurance Policy	28 April 2021	<a href="#">TAP Policy Schedule 2021-22.pdf</a>	Yes	Yes		
1.82	LPC - Fixed Assets Register	04 May 2021	<a href="#">LPC Asset Register.pdf</a>	Yes	Yes		
1.83	Evidence of insurance review			Yes	Yes		
1.84	Evidence of Public and employee liability insurance			Yes	Yes		
1.85	Does the council keep a register of all material assets owned			Yes	Yes		
1.86	Value of individual assets included			Yes	Yes		
1.87	Inspected for risk and up to date inspection records exist			Yes	Yes		

2.0 Risk Management							
2.1 Annual risk assessment review							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.11	LPC - Financial Risk Assessment	09 March 2021	<a href="#">LPC Risk Assessment.pdf</a>	Yes	Yes		
2.12	LPC - Emergency Plan	01 May 2021	<a href="#">LPC Emergency Plan.pdf</a>	Yes	Yes		
2.13	LPC - Internal Audit Report	31 March 2021	<a href="#">20210331 LPC Internal Audit Report.pdf</a>	Yes	Yes		
2.14	Are all electronic files properly backed up			Yes	Yes		

2.2 Previous Internal Control Reports							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
2.21	LPC - Internal Audit Report	31 March 2021	<a href="#">20210331 LPC Internal Audit Report.pdf</a>	Yes	Yes		
2.22	Were recommendations from the previous Internal Audit Report implemented			Yes	Yes		

3.0 Due Process							
3.1 Standing Orders & Policies With Last Review Date							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.15	LPC - Complaints Procedure	10 August 2021	<a href="#">LPC Complaints Procedure.pdf</a>	Yes	Yes		
3.17	LPC - Data Protection Policy	11 June 2019	<a href="#">LPC Data Protection Policy.pdf</a>	Yes	Yes		
3.22	LPC - Document Retention	10 August 2021	<a href="#">LPC Retention of Documents Policy.pdf</a>	Yes	Yes		
3.26	LPC - Equalities Policy	12 March 2019	<a href="#">LPC Equality &amp; Diversity.pdf</a>	Yes	Yes		
3.35	LPC - Health & Safety Policy	12 March 2019	<a href="#">LPC Health &amp; Safety.pdf</a>	Yes	Yes		
3.39	LPC - Model Publication Scheme	Not Available	<a href="#">LPC Publication Scheme.pdf</a>	Yes	Yes		
3.40	LPC - Non Financial Standing Orders	Not Available	<a href="#">LPC Non Financial Standing Orders .pdf</a>	Yes	Yes		
3.51	LPC - Scheme of Delegation	Not Available	<a href="#">LPC Scheme of delegation.pdf</a>	Yes	Yes		

3.2 Councillor Code of Conduct							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.21	LPC - Code of Conduct						
3.22	LPC - Councillor Responsibilities						
3.23	LPC - Expenses Policy	12 March 2019	<a href="#">LPC Expenses Policy.pdf</a>	Yes	Yes		
3.24	LPC - Gifts and Hospitality Policy						
3.25	LPC - Guidance On Code of Conduct						
3.26	LPC - List of member interests held			Yes	Yes		



3.3 Agendas signed, informative and displayed with a clear 3 days notice							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.31	LPC - Annual Parish Meeting Agenda	10 April 2021	<a href="#">20210410 Lighthorne PC Parish Meeting Agenda.pdf</a>	Yes	Yes		
3.32	LPC - Monthly Meeting Agenda	13 April 2021	<a href="#">20210413 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.33	LPC - Annual Monthly Meeting Agenda	04 May 2021	<a href="#">20210504 Lighthorne PC Annual Meeting Agenda.pdf</a>	Yes	Yes		
3.34	LPC - Monthly Meeting Agenda	13 July 2021	<a href="#">20210713 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.35	LPC - Monthly Meeting Agenda	10 August 2021	<a href="#">20210810 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.36	LPC - Monthly Meeting Agenda	14 September 2021	<a href="#">20210914 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.37	LPC - Monthly Meeting Agenda	12 October 2021	<a href="#">20211012 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.38	LPC - Monthly Meeting Agenda	09 November 2021	<a href="#">20211109 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.39	LPC - Monthly Meeting Agenda	14 December 2021	<a href="#">20211214 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.40	LPC - Monthly Meeting Agenda	11 January 2022	<a href="#">20220111 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.41	LPC - Monthly Meeting Agenda	08 February 2022	<a href="#">20220208 Lighthorne PC Agenda.pdf</a>	Yes	Yes		
3.42	LPC - Monthly Meeting Agenda	08 March 2022	<a href="#">20220308 Lighthorne PC Agenda.pdf</a>	Yes	Yes		

3.4 Minutes signed, pages numbered & reviewed for unusual activity							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
3.41	LPC - Annual Parish Meeting Minutes	10 April 2021	<a href="#">../LPC Minutes/20210410 Lighthorne PC Parish Meeting Minutes.pdf</a>	Yes	Yes		
3.42	LPC - Monthly Meeting Minutes	13 April 2021		N/A	Yes	Meeting Cancelled	
3.43	LPC - Annual Monthly Meeting Minutes	04 May 2021	<a href="#">../LPC Minutes/20210504 Lighthorne PC Annual Meeting Minutes.pdf</a>	Yes	Yes		
3.44	LPC - Monthly Meeting Minutes	13 July 2021	<a href="#">../LPC Minutes/20210713 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.45	LPC - Monthly Meeting Minutes	10 August 2021	<a href="#">../LPC Minutes/20210810 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.46	LPC - Monthly Meeting Minutes	14 September 2021	<a href="#">../LPC Minutes/20210914 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.47	LPC - Monthly Meeting Minutes	12 October 2021	<a href="#">../LPC Minutes/20211012 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.48	LPC - Monthly Meeting Minutes	09 November 2021	<a href="#">../LPC Minutes/20211109 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.49	LPC - Monthly Meeting Minutes	14 December 2021	<a href="#">../LPC Minutes/20211214 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.50	LPC - Monthly Meeting Minutes	11 January 2022	<a href="#">../LPC Minutes/20220111 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.51	LPC - Monthly Meeting Minutes	08 February 2022	<a href="#">../LPC Minutes/20220208 Lighthorne PC Minutes.pdf</a>	Yes	Yes		
3.52	LPC - Monthly Meeting Minutes	08 March 2022	<a href="#">../LPC Minutes/20220308 Lighthorne PC Minutes.pdf</a>	Yes	Yes		

4.0 Payroll & Employees							
4.1 Payroll Clerk							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
4.11	Annual Pension statement sent to pension provider			Yes	Yes		
4.12	Contract of employment			Yes	Yes		
4.13	Has the council approved the salary to be paid			Yes	Yes		
4.14	Monthly pension statements sent to provider			Yes	Yes		
4.15	Other payments reasonable and approved by the Council			Yes	Yes		
4.16	P60 Issued			Yes	Yes		
4.17	PAYE & NI Evidence			Yes	Yes		
4.18	Payslips issued			Yes	Yes		
4.19	Pension payments made			Yes	Yes		
4.20	Software package for salary or external			Yes	Yes		
4.21	Tax code issued			Yes	Yes		
4.22	Who calculates the monthly pay and process for review			Yes	Yes		

5.0 Charities							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
5.1	Charities reported and accounted for separately			N/A	N/A		
5.2	Have the charity accounts been seperately audited			N/A	N/A		
5.3	Have the charity accounts and Annual Rteurn been filed within the legal time limits			N/A	N/A		

6.0 Burial Authorities							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
6.01	LPC - Burial Ground Regulations			N/A	N/A		
6.02	LPC - Burial of Non Residents Policy			N/A	N/A		
6.03	LPC - Cemetery Policy Rules & Fees			N/A	N/A		
6.04	Payments recieved agrees with burials in the financial year			N/A	N/A		
6.05	Fees levied as per the councils agreed scale of fees			N/A	N/A		
6.06	Are the Statutory Records correct			N/A	N/A		
6.07	Do all internment of ashes have a certficate of creation			N/A	N/A		
6.08	Have the necessary permits, permissions and transfer of Exclusive Burial Right (EBR) been completed correctlky, documented and approved.			N/A	N/A		

7.0 Parish Council Website							
Ref	Activity	Last Review Date	Hyperlink	Reviewed	Complete	Comments / recommendations	
7.01	LPC - Accessibility Statement re Website			Yes	Yes		
7.02	Has the Transparency Code For Small Authorities reuirements been met and the following been published:			Yes	Yes		
7.03	1-all items of expenditure above £100			Yes	Yes		
7.04	2-end of year accounts			Yes	Yes		
7.05	3-annual governance statement			Yes	Yes		
7.06	4-internal audit report			Yes	Yes		
7.07	5-list of councillor or member responsibilities			Yes	Yes		
7.08	6-the details of public land and building assets			Yes	Yes		
7.09	7-Minutes, agendas and meeting papers of formal meetings			Yes	Yes		
7.10	If not applicable has letter to the external auditor been issued			Yes	Yes		

## Appendix 2

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Thursday, 28 April 2022

Mrs. L Newberry  
Parish Clerk & Responsible Financial Officer  
Lighthorne Parish Council

For The Attention of PKF Littlejohn


Internal Audit of Lighthorne Parish Council for the year 2021-2022

It will be noted that in the Annual Internal Audit Report 2021/22 page 3 for Lighthorne Parish Council, the internal report item F has been marked by the internal auditor as Not Covered.

In accordance with the instructions at the bottom of that page marked \*\*Note., this letter confirms that Lighthorne Parish Council holds no petty cash.

If I can be of any further assistance please do not hesitate to contact me.

Yours sincerely



Trevor B Gill