

Locum Parish Clerk: Ms Safia Kauser

Email: clerk@ecclesfield-pc.gov.uk

03 July 2020

NOTICE OF A MEETING

Under legislation to deal with the coronavirus emergency this meeting will be held using a remote conference facility.

To All Members of the Finance and Premises Committee

YOU ARE HEREBY SUMMONED TO ATTEND a meeting of the Finance and Premises Committee to be held via Zoom Video Conference on **Thursday 09 July 2020 at 7.00pm**

Signed: *S. Kauser*

Ms Safia Kauser

Locum Parish Clerk/RFO to the Parish Council

Meeting Joining Instructions

- 1) Download and sign up to the Zoom app on your PC <https://zoom.us/signup> and
- 2) Enter the Meeting ID: 846 5399 7735 and then enter the Password: 828028
- 3) Or alternatively Click on the direct meeting invitation:
<https://us02web.zoom.us/j/84653997735?pwd=SXZwMGhWLO4b3FMeW1aVnZPWWhkZz09>
- 4) To Join via phone: +44203 481 5237 and enter Meeting ID: 846 5399 7735 and Password:828028

Committee Membership

Cllr Kate Guest [Chairman]

Cllr John Housley [Ex-Officio]

Cllr John Brownrigg [Ex-Officio]

Cllr David Ogle

Cllr Terence Bawden

Cllr Vic Bowden

Cllr Gary Lakin

Cllr Paul Swift

*Substitute members may be appointed in accordance with Standing Order 4v

Recording of Council Meetings

Under the Openness of Local Govt. Bodies Regulations 2014, members of the public may now film, photograph and make audio recordings of the proceedings of the formal Council meeting, though not, under current legislation, of the Public Participation session, as this is not part of the formal agenda of the meeting. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted.

Public Participation

- Notice is given that at a time agreed by the meeting, 15 minutes may be set aside for members of the public to make representation on the business of the agenda for the meeting
- Any member of the public shall not speak for more than three minutes.
- A question asked by a Member of the Public during Public Participation shall not require a response or debate during the meeting though the Chairman may direct that a written response will be provided subsequent to the meeting.

PUBLIC BODIES (ADMISSION TO MEETINGS ACT) 1960

Meetings shall be open to the public unless their presence is prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons. The public's exclusion from part or all of a meeting shall be by a resolution which shall give reasons for the public's exclusion in accordance with the Public Bodies (Admission to Meetings Act) 1960.

A G E N D A

1.	Chairman's Opening Remarks To receive the Chairman's opening remarks. Note: In accordance with the Remote Standing Orders Addendum, the Chairman will notify those present about the holding of virtual meetings.
2.	Election of Committee Vice-Chair To elect a committee vice-chair for the ensuing year.
3.	Apologies for Absence To receive and approve apologies for absence and reasons given to the Clerk prior to the meeting.
4.	Declarations of Disclosable Pecuniary and Other Interests 4.1 To receive declarations of disclosable pecuniary interests (DPI) and personal and prejudicial interests from members on matters to be considered at the meeting in accordance with the Localism Act 2011 (section 30 to 33). Officers are required to make a formal declaration about council contracts where the employee has a financial interest in accordance with the LGA 1972, s117. Note: Members must generally declare a disclosable pecuniary interest which he or she has in any item on the Agenda. A Member with a disclosable pecuniary interest may not participate in any discussion of the matter at the meeting and must not participate in any vote taken on the matter at the meeting. In addition, the Council's Standing Orders require a Member with a disclosable pecuniary interest to leave the room where the meeting is held while any discussion or voting takes place. 4.2 To receive, consider and record Councillors requests for DPI dispensation (section 31 Localism Act 2011) in connection with items on this agenda. Applications for this must be made in writing to the Clerk prior to the meeting.
5.	Public Participation To receive questions from members of the public to make representation on the business of the agenda for the meeting. No resolutions can be made under public participation.
6.	Minutes 6.1 To approve the draft minutes of the Finance and Premises committee held on 20 May 2020. (copies of draft minutes to follow) 6.2 To note that the scheduled meeting of the Finance and Premises committee for 11 th June 2020 was cancelled due to an Extraordinary Full Council meeting scheduled on the same date.
7.	Exclusion of Press and Public - Public Bodies (Admission to Meetings Act) 1960 To consider and resolve any agenda items that require the exclusion of the Press and Public in accordance with the Public Bodies (Admissions to Meetings) Act 1960 for matters appertaining to confidential or exempt information.
8.	Updates Ongoing Projects To receive an update on ongoing projects. <ul style="list-style-type: none">• War Heroes project – Cllr Ogle to report on this item.• Park Benches and Time Capsules including park benches stolen from Chapeltown Park- Cllr D Ogle to report on this item.

<p>9.</p>	<p>Internal Audit 2020/21 In accordance with the Full Council resolution from the 14 May 2020, the committee is requested to discuss the reappointment of Yorkshire Internal Audit Services for the 2020-21 Financial Year. (Report to follow).</p>
<p>10.</p>	<p>Community Co-Ordinator/Curator Archivist Report 10.1 In accordance with the Full Council resolution from the 14 May 2020, the committee is requested to discuss the proposed community event to bring the community together from the current coronavirus pandemic. 10.2 To receive a report from the Community Co-Ordinator on the expenditure incurred in connection with archivist activities in accordance with the contract (report to follow).</p>
<p>11.</p>	<p>Responsible Financial Officer Report To consider the report from the Responsible Financial Officer (report to follow).</p>
<p>12.</p>	<p>Any items for discussion for a future agenda To notify the Clerk of any matters for inclusion on the agenda of the next meeting.</p>
<p>13.</p>	<p>Date of the Next Council Meeting To note the date of the next scheduled committee meeting to take place on Thursday 10th September 2020 at 7.00pm. Note: In light of the coronavirus pandemic, it is likely that the next meeting will be held remotely.</p>



ECCLESFIELD
PARISH COUNCIL

Ecclesfield Parish Council

Report to Members of the Finance and Premises Committee

REPORT TO:	Members of the Finance and Premises Committee
MEETING DATE:	Thursday 09 July 2020
SUBJECT:	Internal Audit 2020/21
REPORT AUTHOR:	Safia Kauser - Locum Parish Clerk & Responsible Financial Officer

Agenda Item 9: In accordance with the Full Council resolution from the 14 May 2020, the committee is requested to discuss the reappointment of Yorkshire Internal Audit Services for the 2020-21 financial year.

Purpose of the Report: To provide members with the information relating to the legislative framework for internal audit and to present recommendations for the appointment of internal audit services.

1. Background to Internal Audit

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.

The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review. The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority. It is for each authority to decide, given its circumstances, what level of competency is appropriate, and to keep this issue under review.

2. Review of the effectiveness of Internal Audit

The Council should at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. Any review should balance the Councils internal audit needs and usage. It should be designed to provide sufficient assurance for the Council that standards are being met and that the work of internal audit is effective.

The review should be designed to assure the Council that it has maintained the standards of an adequate and effective internal audit of its risk management, control and governance processes. It should include, as a minimum, making an assessment of each of the following:

- the scope of internal audit;
- independence;
- competence;
- relationships with the clerk and the authority; and

- audit planning and reporting.

A review of the effectiveness of internal audit is attached (Appendix A).

3. Appointing an Internal Auditor

It is a matter for the Council to determine how best to meet the statutory requirement for internal audit, having regard to its business needs and circumstances. There are two key principles an authority should follow in sourcing an internal audit provider: independence and competence.

- Independence

Independence requires the absence of any actual or perceived conflict of interest. It means that whoever carries out the internal audit role does not have any involvement in or responsibility for the financial decision making, management or control of the authority, or with the authority's financial controls and procedures.

- Competence

There is no requirement for a person providing the internal audit role to be professionally qualified, but essential competencies to be sought from any internal audit service include:

- understanding basic book-keeping and accounting processes;
- understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management;
- awareness of relevant risk management issues; and
- understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities, as set out in the Governance and Accountability Practitioners Guide for Smaller Authorities.
- Awareness of relevance of VAT and PAYE/NIC as applied to the authority.
- Additional Evidence to Competency
 - Additional evidence as to competency might also include the possession of professional indemnity insurance cover.

4. Internal Audit Programme of Work

The Council determines the internal audit scope of work to be undertaken by the internal auditor. If no such programme of work is agreed, then the minimum reporting requirement for internal audit is met by completing the annual internal audit report within the Annual Governance and Accountability Return. Internal audit may also report in greater detail to the Council for example providing a written internal audit report.

5. Financial Implications including Budget Provision

The Council has set aside a budget of £1,000 in RBS budget code 4191/100 'Professional Fees' and reference in the notes column for 'internal and external audit charges and any legal advice needed'. When the Council considers the budget for 2021/22, there should be a specific budget heading for 'Audit Fees' setting aside the costs for internal and external audit.

Internal Audit Fees

Currently two visits are undertaken per financial year. During the 2019/20 financial year, the following costs were coded on the accounts system as per entries in the nominal cashbook 2019/20, code 4215/100 (Administration).

Date	Details	Costs
30.07.2019	Internal Audit Visits	£650.00
04.10.2019	Auditors Accounts Year End 31.03.19	£1,000.00
31.01.2020	Internal Audit Visit 2019/20	£325.00

Considered the accounting entries above, I would expect that the internal audit fees are charged at £650.00 per financial year comprising of two audit visits, one mid-year and one at year end.

External Audit Fees

The external audit fees are fixed and agreed by Public Sector Audit Appointments Ltd (PSAA). The Council has opted into this collective scheme. As per detailed information above, it is expected that the external audit fee is set at £1,000 + VAT.

6. Legal Implications

A smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.' The guidance for public sector standards is set out in the Governance and Accountability Practitioners Guide for Smaller Authorities.

7. Policy Implications and Background Papers

Consideration has been given to the listed documentation:

- Councils adopted Standing Orders
- Financial Regulations and Financial Risk Assessment.
- Approved budget document spreadsheet for 2020/21
- RBS Accounting Entries, as per nominal cashbook detailed breakdown 2019/20

8. Other Implications

This report has been prepared by the Locum Clerk/RFO who commenced post on the 01 July 2020. The report was prepared based on the information available at the time and having regards to the policy and background papers referenced in section 7 above.

9. Current Provider

Yorkshire Internal Audit Services [YIAS] provide an internal auditing services to many parish and town councils in Yorkshire. Having carried out a search through historic council documentation, it appears that YIAS have provided an audit service to the Council from the 2014/15 financial year to the 2019/20 financial years [6 years]. The Council is currently not tied into a contract of services with YIAS.

10. Recommendations

10.1. That the Report from the RFO is received and fully considered.

10.2. That the Finance and Premises Committee recommends to full Council that:

- 1) The Report from the RFO on internal audit services is received and fully considered.
- 2) The Council adopts the internal audit plan to be drafted by the Locum RFO having regards to the standards that should be met for reviewing the effectiveness of internal audit and the two key competencies of independence and competency.
- 3) That three quotations are obtained for an internal audit service for Ecclesfield Parish Council on a fixed three-year term contract based on two internal audit visits per financial year. Contractors should be provided with a copy of the agreed internal audit plan adopted by the Council and must demonstrate they are independent and competent. Copies of Public Liability insurance must be enclosed with the quotation.
- 4) That Yorkshire Internal Audit Services are invited to submit a quotation for internal audit services to Ecclesfield Parish Council subject to meeting the requirements set out by the Council.

11. Reasons for Recommendations

The Council has not reviewed the effectiveness of internal audit (see appendix A). The current providers have provided a 6-year service to the Council to date. It is good practice to change your auditors every three years to ensure that the Council meets the independency competency as set out in the Governance and Accountability Practitioners Guide. There is no reason why the Council cannot use the services of auditors engaged in previous years as there has been a break in contract services and subject to them meeting the criteria.

Internal Audit Review Checklist – Part 1

Meeting Standards

Expected Standard	Evidence of achievement	Yes or No	Areas for development
1. Scope of internal audit	Terms of reference for internal audit were (re)approved by full council on [date]. Internal audit work takes into account both the council's risk assessment and wider internal control arrangements. Internal audit work covers the council's anti-fraud and corruption arrangements.		
2. Independence	Internal audit has direct access to those charged with governance (see Financial Regulations). Reports are made in own name to management. Internal audit does not have any other role within the council/board		
3. Competence	There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity.		
4. Relationships	All responsible officers (Clerk and RFO) are consulted on the internal audit plan. (Evidence is on audit files). Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job descriptions and engagement letter). The responsibilities of council members are understood; training of members is carried out as necessary. (See Member training plan).		
5. Audit Planning and Reporting	The annual internal audit plan properly takes account of all the risks facing the council and has been approved by the council [date]. Internal audit has reported in accordance with the plan on [date].		



Internal Audit Review Checklist – Part 2

Characteristics of Effectiveness

Characteristics of 'effectiveness'	Evidence of achievement	Yes or No	Areas for development
Internal audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the council's needs.		
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance for the council's Annual Governance Statement.		
Be seen as a catalyst for change	Internal audit supports the council's work in delivering improved services to the community		
Add value and assist the organisation in achieving its objectives	The council makes positive responses to internal audit's recommendations and follows up with action where this is called for.		
Be forward looking	In formulating the annual audit plan, national agenda changes are considered. Internal audit maintains awareness of new developments in the council's services, risk management and corporate governance arrangements.		
Be challenging	Internal audit focuses on the risks facing the council. Internal audit encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations.		
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work. Internal audit understands the council and the legal and corporate framework in which it operates.		



ECCLESFIELD
PARISH COUNCIL

Ecclesfield Parish Council

Report to Members of the Finance and Premises Committee

REPORT TO:	Members of the Finance and Premises Committee
MEETING DATE:	Thursday 09 July 2020
SUBJECT:	Community Co-Ordinator/Curator Archivist Activities
REPORT AUTHOR:	Emma Mainwaring – Community Co-Ordinator & Safia Kauser – Locum Parish Clerk/RFO

Agenda Item 10.2: To receive a report from the Community Co-Ordinator on the expenditure incurred in connection with archivist activities in accordance with the contract.

Purpose of the Report: To inform members of the additional costs that may be incurred in connection with archivist activities and to seek authorisation to incur expenditure.

1. Summary

After looking into all of the Archiving, the website seems to be in need of some updating and re-categorising, as it is currently not really searchable. To begin with this will incur the following costs:

- Implementing searchable tags £90 + VAT
- Updating the appearance £90 + VAT

This of course will come out of the archiving budget and this is a start of the updates to help get the Archive back on track.

2. Authority to Spend

In the absence of a Scheme of Delegation, there are no clear parameters in place for Officers to incur expenditure or committee delegated budgets. However, in accordance with the Community Co-Ordinator Officers contract of employment is provision for budget responsibility. This is based on the information made available to the Locum Responsible Financial Officer at the time of preparing this report.

3. Recommendation

To consider authorisation of archivist activities as set out in the summary above.