

Ecclesfield Parish Council Draft Internal Audit Report Year-End 2021/22 –
Comments and Recommendations on the Management of the Trust

Trust Fund Responsibilities

When I began the audit, I was unaware that the Council was responsible for a trust fund. I found this out from reading the minutes. I discussed this with the Clerk who said that he had been in post for six months before he became aware of the Council being responsible for a Trust. The trust is the Grenoside Exhibition Charity. This suggests that the Council is not as proactive as it should be when discharging its responsibilities as a Trustee.

Looking at the Practitioners Guide the Internal Auditor should:

- Confirm that all charities of which the Council is a trustee are up to date with Charity Commission filing requirements.
- That the council is the sole trustee on the Charity Commission register
- That the Council is acting in accordance with the Trust Deed
- That the charity meetings and accounts are recorded separately from those of the council
- Review the level and activity of the charity and where a risk-based approach suggests such, review the Independent Examiners report.

I based my investigation on the bullet points above and found that the return for 2020/21 had been completed at this time the Charity held £29,632. The return has not been completed yet for 2021/22 and this should be completed as soon as possible. Currently the Council is the sole trustee but there were plans for the Charity to become a standalone charity, this was minuted at the meeting of the 12th of August. This has not happened yet, Andrew informed me that it had been delayed with no dates set for the transfer.

As there is only £29k in the Charity's account then it may be worth considering giving out the funds as per the Trust Deed and closing the accounts. The Trust Deed states that the funds are to be spent on education purposes for children living in Grenoside. This would be a better option than continuing the current situation. There are some governance issues with the current administration of the Charity but in discussion with the Clerk he stated that both the Council and Charity were aware of them, and was confident that they will be addressed as a matter of urgency

Completion of the Annual Governance and Accountability Return (AGAR)

As part of the audit process, I complete page 3 of the AGAR. This contains a listing of internal control objectives, and my audit determines if they have been achieved. I found a good accounting system in operation, and I was able to tick all areas of this page of the AGAR positively. My only concern was that the Council had properly met its responsibilities as a trustee, but the Clerk outlined future proposals for improvement which persuaded me to tick box O on the AGAR positively.

Conclusion and Recommendations

The recommendations from the audit are as follows.

- A review of the Council's responsibilities as a Trustee for the Grenoside Exhibition Charity.
- Completion of the Return to the Charity Commission of the 2021/22 accounts for the Grenoside Charity Committee.

Diane Brown - Internal Auditor Ecclesfield Parish Council 31/05/2022