



# SLOUGH BOROUGH COUNCIL

## Parish Council Governance Review – Wexham Court Parish Council

**FINAL**

**Internal audit report: 9.18/19**

**7 November 2018**

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<b>Debrief held</b>	26 July 2018	<b>Internal audit team</b>	Daniel Harris - Head of Internal Audit Chris Rising - Senior Manager Amir Kapasi - Assistant Manager Jay Desai – Assistant Manager
<b>Draft report issued</b>	3 August 2018		
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<b>Final report issued</b>	7 November 2018	<b>Client sponsor</b>	Neil Wilcox - Director of Finance and Performance
		<b>Distribution</b>	Neil Wilcox - Director of Finance and Performance

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RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

# 1 EXECUTIVE SUMMARY

## 1.1 Background

As part of a rolling series of audits of the Parish Councils an advisory audit of Wexham Court Parish Councils governance arrangements was undertaken on behalf of Slough Borough Council as part of the approved plan for 2018/19. The objective of the audit was to ensure that the money being received by the Wexham Court Parish Council (hereafter referred to as the Parish Council) via precept payment is being spent in line with delegated authority. To do this, we reviewed the governance arrangements in place to provide assurance to the Council that the precept collected for parishes was being used as intended.

Wexham Court Parish Council have Standing Orders in place which were adopted by the Council in March 2004 which were last reviewed and updated in April 2011.

Wexham Court Parish Council receives an annual Precept of around £55k and other income for Parish Hall hire which is of around £52k. In addition, the Parish Council employs four employees including; the Clerk, the Responsible Finance Officer (RFO), Booking Clerk and the Caretaker.

Wexham Court Parish Council held £321,540 within its bank account as at the 2017/18 financial year end.

## 1.2 Conclusion

Our review identified that the control framework in place at for the Parish required significant improvement and we identified issues where immediate management action is necessary in relation to the pre-signing of cheques and uploading of confidential meeting minutes to the internet.

Further management actions were identified in relation to the retention of a clear audit trail to demonstrate the decisions being made by the Parish Council, lack of policies and procedures to support the Parish Council in making investment decisions and the use of purchase orders.

## 1.3 Key findings

The key findings from this review have resulted in the identification of three **high priority** and ten **medium priority** management actions, we have ordered these by priority:

### Pre-signing of cheques

Meeting minutes between May 2017 and December 2017 confirmed that 25 blank cheques were being signed at each meeting with one signature during each of the meetings to allow for expenditure to be incurred and paid for by one person, the Responsible Finance Officer (RFO) without appropriate segregation of duties. Although, cheques required dual signatory, the Council had been agreeing to cheques being signed off with one signature at the Parish Council meetings without the knowledge of what they would be used for, this would then allow payments to be made sooner with only one further signature on each cheque but the Parish Council would be unaware of the commitment until the next Parish Council meeting.

We were informed by \_\_\_\_\_ that this had stopped taking place from the February 2018 meeting and noted the signing of 25 cheques was not included within meeting minutes from February 2018 onwards. Without the correct segregation of duties, the Parish Council face a significant risk of fraudulent expenditure or activity occurring without the knowledge of the Parish Council. **(High)**

## Parish Council Website

We reviewed the Parish Council website and tested to confirm whether the most up to date meeting minutes had been uploaded and found that in several instances private meeting minutes (Part two discussions) had been uploaded to the public website which included employee health issues, complaints and other confidential items. The Parish Council is breaching employee privacy and potentially General Data Protection Regulations (GDPR) as it has published meeting minutes with confidential items discussed and these have not been anonymised or excluded. **(Medium)**

## Employment Contracts

No formal contracts of employment for staff employed at the Parish Council are in place. We were informed by [redacted] that the job roles and structure were being reviewed by a HR Consultant from Berkshire Association of Local Councils (BALC). [redacted] informed us that once the review by BALC is fully completed a new structure would be defined, job roles and descriptors would be re-developed and contracts of employment for all staff will be developed.

As there were no formal employment contracts in place at the time of our review, we were unable to confirm that the Parish Council was paying its employees the correct remuneration or sufficient overtime rates, as you would expect in a terms and conditions section of an employment contract. Therefore, there is a risk that the Parish Council may be under/overpaying its employees. **(High)**

## Delegated Powers

The Parish Council meet on a monthly basis with the exception of August and January however, there is no scheme of delegation in place for this group. We therefore noted that the Parish Council was unable to demonstrate the powers of the Parish Council and what falls within their remit. In addition, we noted that there was lack of documentation which identified the powers delegated to the Clerk and the RFO. Without a scheme of delegation, there is an increased risk of inappropriate expenditure being incurred which could financially impact the Parish Councils finances. **(High)**

## Policies and Procedures

The Parish Council does not have a list of all Policies in place at the council and key policies were absent such as Treasury Management or a Reserves Policy. Therefore, there was no guidance available to the Council, Clerk or the RFO in relation to how to manage the funds held within the Councils bank account which was in excess of £320k at the end of the 2017/18 financial year as established through discussions with [redacted] in June 2018.

There is a risk that the Council may face challenge in relation to the sum of funds held within its bank account and question the protection of these funds with reference to the FSCS (Financial Services Compensation Scheme) limit of £85,000. **(Medium)**

## Key Deadlines Timetable

The Parish Council meeting discussions revolved around nine agenda items at each meeting. The Standing Orders identified some key items which were required to be discussed or approved by the Council including the agreement of the precept however, we noted that this was not captured within the meeting minutes between September 2017 and April 2018. Through review of meeting minutes, we were unable to obtain evidence to confirm that the 2018/19 annual budget was reviewed by the Parish Council. Furthermore, we were unable to evidence the discussion around the precept payment for 2018/19 which was required by the Standing Orders to take place prior to February 2018.

There is a risk that without a clear and formally agreed terms of reference, the Parish Council risk not discussing key areas such as approval of the budget and agreement of the precept. This may result in decisions being made in relation to the matters noted above without the appropriate authority and within the appropriate timescales. **(Medium)**

## Approval of Payments

Following review of the minutes between May 2017 and April 2018, we noted that the minutes in a majority of months documented that 'payments were approved' or 'accounts were approved' or 'approved' however, the papers for the meeting did not highlight the value of expenditure, which therefore did not correspond to the value of the payments approved in the Parish Council meeting minutes. There is a risk that the amounts presented within papers could differ from the agreed payment amounts and adjustments and variations could be approved without the appropriate authority. **(Medium)**

## Risk Register

Through review of the meeting minutes between May 2017 and April 2018, we were unable to evidence review of the risks faced by the Parish Council. Therefore, it was noted that the Parish Council have not approved and documented a Risk Register for 2017/18. There is a risk that the Parish Council is not identifying and regularly reviewing the risks it faces as a Council and this could impact the Parish Council both financially and reputationally if a risk materialises. **(Medium)**

## Declarations of Interests

We were informed that there was no central log of all conflicts for the Councillors which confirmed all interests for each of the Councillors and the agreed actions for the individual where relevant. At each Parish Council meeting, we were able to confirm that an opportunity to declare interests was provided and one Councillor had repeatedly declared an interest however, there was no further information or evidence available which confirmed the action taken or the requirement to take any actions for this declaration of interest, although review of the minutes confirmed that there were no items which would be affected by the declaration.

If the actions following declaration of interest are not sufficiently detailed within meeting minutes, there is a risk of the interest not being managed in the appropriate manner, which could affect the objectivity of decisions made and the reputation of the Parish Council. **(Medium)**

## Finance and General-Purpose Committee

The Parish Council have in place a Finance and General-Purpose Committee for which there is no Terms of Reference or documented responsibilities or meeting requirements. Without a Terms of Reference there is a risk that the committee may not be discharging its duties in line with what is expected of them by the Parish Council. **(Medium)**

## Purchase Orders

We were informed by \_\_\_\_\_ that there was no process in place for the use of purchase orders however, where required quotations or estimates would be obtained to seek the best value for money. Without the use of purchase orders there is an increased risk of queries, disputed and legal consequences should an order for goods or services be processed incorrectly. There is also a financial risk if purchases are committed without appropriate budget / funds being available. **(Medium)**

## Procurement

We requested evidence to confirm that the procurement requirements were complied with in accordance with the finance regulations for four items: heating expenditure, insurance and appointment of both internal and external auditors. We identified that the meeting minutes for the Parish Council included the requirement for approval of items however, there was lack of clarity as to the decisions being made in relation to procuring for goods or services. For heating expenditure, we noted that an initial amount of work was agreed by the Parish Council with a price, and a further amount of work was also agreed but without a price. The meeting minutes did not note whether a further approval was required once the further work had been quoted or whether the Council provided delegated power to the Clerk or the RFO to make the decision. Furthermore, we were informed that the insurance was agreed to be renewed by the Parish Councillors without confirming value for money however, there was no audit trail documented within meeting minutes for this.

Without complete transparency, appropriate use of purchase orders and clearly documented meeting minutes, the Parish Council may not effectively control their expenditure, and this may result in commitment to expenditure which has not been fully agreed. **(Medium)**

### Capital Expenditure Plan

The Capital and General Funds Spend Forecast section within the 2018/19 budget papers was incomplete. We noted that as there was no capital expenditure plan in place for the Parish Council, this may prompt questions regarding the best use of the funds for the local community and may lead to reputational damage in relation to the Parish collecting precept money but not matching the funds collected with the expenditure of the Council. **(Medium)**

In addition, we have also agreed **two low** priority management actions, which are detailed in section two of this report.

## 1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Area	Control design not effective*		Non Compliance with controls*		Agreed actions		
	Low	Medium	High	Low	Medium	High	
Wexham Court Parish Council	8	(9)	1	(9)	2	10	3
<b>Total</b>	<b>2</b>	<b>10</b>	<b>3</b>				

\* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

## 2 DETAILED FINDINGS

### Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
1.1	Wexham Court Parish Council have Standing Orders in place which were adopted by the Council in March 2004. The Standing Orders document outlines the following information: <ul style="list-style-type: none"> <li>Meeting frequency and statutory annual meeting;</li> <li>Chairman of the meeting;</li> <li>Notice of meetings;</li> <li>Attendance and quorum requirements;</li> <li>Order of business;</li> <li>Expenditure;</li> </ul>	No	N/A	<p><b>WCPC Standing Orders</b></p> <p>We obtained the Wexham Court Parish Council Standing Orders and were able to identify through review of the document that it had been last reviewed, amended and approved at the Meeting of Full Council held on 12 April 2011. We obtained the meeting minutes for the meeting held in April 2011 and were able to evidence the approval at this meeting.</p> <p>We noted that the orders were last updated over seven years ago and the document did not outline a regular review requirement or include version control identifying when it had been updated.</p> <p>Without regular review of the standing orders, there is a risk that the Parish</p>	Low	Slough Borough Council will advise Wexham Court Parish Council to update its current standing orders to include version control. In addition, Slough Borough Council will advise the Parish Council to introduce a cyclical review process for its Standing Orders.	31 <sup>st</sup> Oct 2019	Sushil Thobhani – Service Lead – Governance
					High	Slough Borough Council will advise the Parish Council to develop a scheme of delegation which outlines key information such as: <ul style="list-style-type: none"> <li>Requirements for approval of expenditure</li> </ul>	31 <sup>st</sup> Jan 2019	Sushil Thobhani – Service Lead – Governance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<ul style="list-style-type: none"> <li>• Committees and Sub-Committees;</li> <li>• Annual and Financial Statement;</li> <li>• Interests;</li> <li>• Financial Matters;</li> <li>• Banking Arrangements; and</li> <li>• Standing Orders to be Given to Members.</li> </ul> <p>The Standing Orders do not include version control or outline a next review date.</p>			<p>Council's practices may have evolved and no longer match the standing orders documented and do not comply with the Governance and Accountability for Smaller Authorities in England March 2018. This may result in incorrect procedures being followed as a result of guidance not reflecting current practice.</p> <p><b>Delegated Powers</b></p> <p>We noted that there was lack of documentation which identified the powers given to the Clerk and the RFO. We noted that the Standing Orders identified that the Council approved all payments which exceed £1,000 however, there was no clarification as to the expenditure below this amount.</p> <p>We were advised through discussion with that all payments below £1,000 can be authorised by the Clerk at the time of expenditure however, upon receipt of the invoice, this must be presented to the Council for review. Therefore, this meant that transactions of up to £1,000 can be made without notification to the Council however, identified that issues with hazards within the parish, which could lead to health and safety implications for residents such as holes in pavements need to be resolved as soon as possible and therefore this delegated authority is used in these scenarios but had not been formally documented.</p> <p>Without a delegated powers document, there is an increased risk of inappropriate</p>		<p>(minimum number of members required);</p> <ul style="list-style-type: none"> <li>• Expenditure limits</li> <li>• Documented powers delegated to the clerk and RFO for the daily running of the Parish Council;</li> <li>• Review requirement to ensure that the terms of reference and powers are subject to regular review.</li> </ul>		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				expenditure being incurred which could financially impact the Parish Councils finances.				
1.2	The Parish Council does not have a list of all Policies in place at the council and key policies were absent such as Treasury Management or a Reserves Policy.	No	N/A	<p><b>Policies and Procedures</b></p> <p>During our review, we were informed by that there was no central list of all policies for the Parish Council and subsequently noted that policies such as Treasury Management Policy or Reserves were not in place.</p> <p>We noted that this had therefore meant that there was no guidance available to the Parish Council, Clerk or the RFO in relation to the management of the funds held within the Parish Councils bank account, which was in excess of £320k at the end of the 2017/18 financial year as established through discussions with in June 2018.</p> <p>There is a risk that the Council may face challenge in relation to the sum of funds held within its bank account and question the protection of these funds with reference to the FSCS (Financial Services Compensation Scheme) limit of £85,000 which is covered in the event of a bank collapse. There is a risk that the Council could lose a significant sum of money should the financial services firm where the money is held fail.</p>	Medium	<p>SBC will advise the Parish Council to undertake a review of the policies and procedures in place at the Council and identify where there are gaps within its policies and procedures.</p> <p>The Parish Council will be advised to develop and agree a policy on Treasury Management as soon as possible to support the current situation with its reserves.</p> <p>All policies will be made available to the public through the Parish Council website.</p>	31 <sup>st</sup> May 2019	Sushil Thobhani – Service Lead – Governance
1.3	The Parish Council do not have a Terms of	No	N/A	We were informed by the Parish Council Clerk that there were no terms of reference	Medium	Slough Borough council will advise the Parish Council to	31sy May 2019	Sushil Thobhani –

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Reference in place which identifies the purpose and core duties of the Parish Council meetings.  The common agenda items include the following: <ul style="list-style-type: none"> <li>• Declaration of Interests</li> <li>• Dispensation applications relating to Code of Conduct;</li> <li>• Approval of previous meeting minutes;</li> <li>• Police Liaison;</li> <li>• Public Question Time;</li> <li>• Information reports from Members and Councillors;</li> <li>• Finance and General-Purpose Committee meeting minutes approval;</li> <li>• Report of RFO and Finance Statements; and</li> <li>• Report of Clerk.</li> </ul>			in place for the Parish Council meeting which takes place monthly with the exclusion of January and August. We did however note there were standing orders which were adopted by the Parish Council identifying the core meeting requirements such as the requirement to hold an annual meeting, public notice of meetings and quoracy requirements.  Through review of meeting minutes and agendas between September 2017 and April 2018, we were able to confirm that the Parish Council meeting discussions revolved mainly around nine agenda items.  The Standing Orders identified some key items which were required to be discussed or approved by the Parish Council including the agreement of the precept however, noted that this was not captured within the meeting minutes between September 2017 and April 2018.  Through review of meeting minutes noted above, we were unable to obtain evidence to confirm that the 2018/19 annual budget was reviewed by the Parish Council. Furthermore, we were unable to evidence the discussion around the precept payment for 2018/19 which was required by the Standing Orders to take place prior to February 2018.  We did however confirm that this was discussed and approved during the Finance and General Purpose committee however, noted that there was no delegated authority recorded to do this and		develop a timetable which outlines key target dates, meeting schedules and the items to be presented at each meeting. This will allow for them to pro-actively plan for deadlines, papers and items which are required to be delivered at each meeting.  Slough Borough Council will advise the Parish Council to request their bank to provide a report of all cheque numbers which have been transacted, and those which have not been deposited will be cancelled.  The Parish Council will be advised that going forward, the Parish Council should stop all cheques being pre-signed and for each cheque a purchase order, and backing documentation is provided when sign off is required by two individuals.		Service Lead – Governance
	The Standing Orders of the Parish Council identified the following: <ul style="list-style-type: none"> <li>• Meeting frequency and statutory annual meeting;</li> </ul>				High		31 <sup>st</sup> Jan 2019	Barry Stratfull – Service Lead Finance
					Medium	Slough Borough Council will advise the Parish Council to ensure the meeting minutes for the Parish Council are taken in more detail to ensure there is sufficient audit trail to match the minutes to the papers. More	31 <sup>st</sup> Mat 2019	Sushil Thobhani – Service Lead – Governance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<ul style="list-style-type: none"> <li>Chairman of the meeting;</li> <li>Notice of meetings; and</li> <li>Attendance and quorum requirements.</li> </ul> <p>The Governance and Accountability for Smaller Authorities in England guidance outlines that Members should review the risk register not less than annually. This could be achieved by risk management being a standing item at authority or committee meetings.</p>			<p>the Standing Orders noted that the Council shall approve written estimates of the precept.</p> <p>There is a risk that without a clear and formally agreed terms of reference, the Parish Council risk not discussing key areas such as approval of the budget and agreement of the precept. This may result in decisions being made in relation to the matters noted above without the appropriate authority and within the appropriate timescales.</p> <p><b>Pre-signing of cheques</b></p> <p>Meeting minutes between May 2017 and December 2017 confirmed that 25 blank cheques were being signed at each meeting with one signature (the other to be provided by the RFO when payments were due) during each of the meetings to allow for expenditure to be incurred and paid for by one person without appropriate use of a segregation of duties.</p> <p>However, we were informed by that this had stopped taking place from the February 2018 meeting and noted the signing of 25 blank cheques was not included within meeting minutes from February 2018.</p> <p>We have still made a note of this as there may be pre-signed cheques available to the staff of the Parish Council which were signed in advance of the change.</p> <p>Without the correct use of a segregation of duties the Parish Council face a significant</p>	Medium	<p>specifically, where payments are authorised the total approved amount will be captured within the meeting minutes.</p> <p>Slough Borough Council will advise the Parish Council to ensure that a risk register is reviewed and approved on an annual basis by the Parish Council. This will be added to the timetable as outlined above.</p>	13st May 2019	Phil Brown – Risk & Insurance Officer

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>risk of fraudulent expenditure or activity occurring without the knowledge of the Parish Council.</p> <p><b>Approval of Payments</b></p> <p>Following review of the minutes between May 2017 and April 2018, we noted that the minutes in a majority of months stated that 'payments were approved' or 'accounts were approved' or 'approved' however we confirmed through review of the papers presented to the meeting that a schedule of payments was not included.</p> <p>While we noted that payments made by cheque were listed in the monthly financial statements, there was no information within the minutes to confirm the total of payments that had been approved.</p> <p>There is a risk that the amounts presented within papers could differ from the agreed payment amounts and adjustments and variations could be approved without the appropriate authority.</p> <p><b>Risk Register</b></p> <p>Through review of the meeting minutes between April 2017 and April 2018, we were unable to evidence that the Council had either documented or reviewed the risks faced by the Parish Council. Therefore, it was noted that the Parish Council have not approved and documented the review of the Risk Register for 2017/2018.</p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				There is a risk that the Parish Council is not identifying and regularly reviewing the risks it faces as a Council and this could impact the Parish Council both financially and reputationally if a risk materialises.				
1.4	<p>At each Parish Council meeting, Councillors are asked to confirm whether they have any conflicted interests with matters to be discussed within the meeting.</p> <p>The Parish Council do not have a central register of all Councillor and employee interests.</p>	No	N/A	<p><b>Declarations of Interests</b></p> <p>We were informed during our discussion with [redacted] that one of the Councillors was a Slough Borough Council Councillor and therefore declared this interest in each meeting. During inspection of the meeting minutes between September 2017 and April 2018, we were able to confirm that this was noted as a declaration of interest however, there was no further information or evidence available which confirmed the action taken or the requirement to take any actions for this declaration of interest.</p> <p>While we confirmed through review of the Parish Council minutes that no decisions were taken which would have been affected by the declared interest, if the actions following declaration of interest are not detailed within meeting minutes, there is a risk of the interest not being managed in the appropriate manner, which could affect the objectivity of decisions made and the reputation of the Parish Council.</p> <p>Furthermore, we were informed that there was no central log of all conflicts for the Councillors which confirmed all interests for</p>	Medium	<p>Slough Borough Council will advise the Parish Council to develop a conflict of interest register and an annual declaration of interest form which is collated and recorded within the register.</p> <p>The Parish Council will also be advised that this register should be made available to all staff at each of the Parish Council Meetings for review.</p>	31 <sup>st</sup> May 2019	<p>Sushil Thobhani</p> <p>- Service Lead Governance</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>each of the Councillors and the agreed actions for the individual where relevant.</p> <p>There is a risk that without a central document of all conflicts of interests for members, interests may be missed which could impact and influence the independence of decisions being made at the Parish Council meetings.</p>				
1.5	The Parish Council have in place a Finance and General-Purpose Committee for which there is no Terms of Reference or documented responsibilities or meeting requirements.	No	N/A	<p>We were informed by [redacted] that there was no Terms of Reference in place for the Finance and General-Purpose Committee.</p> <p>We confirmed through review of the Standing Orders that no reference to the Finance and General-Purpose Committee meeting requirements or its responsibilities were made.</p> <p>Through review of the December 2017 meeting minutes of the Finance and General-Purpose Committee, we were able to identify that they had reviewed and agreed the precept and the budget for 2018/19 however we noted that the membership of both committees were different, highlighting a need to ensure the precept was agreed with all Parish Council members.</p> <p>The December 2017 meeting was attended by four of the eleven councillors and the Clerk with apologies from two further councillors.</p> <p>If Terms of reference are not developed, there is a risk that the committee may not be discharging its duties in line with what is</p>	Medium	<p>Slough Borough Council will advise the Parish Council to develop and agree a Terms of Reference for the Finance and General-Purpose Committee which outlines the following:</p> <ul style="list-style-type: none"> <li>• Purpose of the group;</li> <li>• Membership requirements;</li> <li>• Quoracy requirements;</li> <li>• Attendance requirements;</li> <li>• Meeting frequency; and</li> <li>• Objectives.</li> </ul>	31 <sup>st</sup> May 2019	Sushil Thobhani – Service Lead - Governance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				expected of them by the Parish Council. This may also lead to difficulty of the Council holding the committee to account if accurate requirements and expectations of the group are not documented.				
1.6	<p>The Standing Orders adopted by the Parish Council outline that the public and press shall be admitted to all meetings of the Council and its committees however, may temporarily exclude the public and press whereby the nature of the business to be discussed is deemed as confidential.</p> <p>The Standing Orders require a three clear days' notice of a meeting to Councillors and the Public.</p> <p>The agenda for meetings are displayed within the notice board outside the building in advance of the meetings.</p> <p>A record of a public participation session at a meeting shall be included in the minutes of that meeting.</p>	Yes	No	<p><b>Public Notice Board</b></p> <p>During discussions, identified that there was a varying level of public participation at all meetings of the Parish Council and any matters which are deemed to be confidential were discussed in a meeting after the public meeting.</p> <p>We were able to confirm through viewing of the public notice board outside the building that there was an agenda for the forthcoming meeting printed and displayed for view by the public on two occasions:</p> <ul style="list-style-type: none"> <li>• Tuesday 17th April 2018; and</li> <li>• Thursday 21st June 2018.</li> </ul> <p>Through review of meeting minutes between September 2017 and April 2018, we noted that the meeting minutes did not clearly capture the public attendance. The meeting minutes included notes under the agenda item 'public question time' which identified the discussions between the Parish Council and the public however, we were unable to identify whether the number of public attendees within each meeting.</p> <p>There is a risk that the Parish Council are not complying with their adopted Standing Orders should meeting minutes not</p>	Low	<p>Slough Borough Council will advise the Parish Council to ensure that meeting minutes capture public attendance levels to allow for the evidencing of effective public question time matters.</p> <p>Medium Slough Borough Council will advise the Parish Council to review the contents of its website to confirm that the correct meeting minutes are uploaded for view by the public and this excludes all part 2 discussions (private and confidential items).</p>	31 <sup>st</sup> Oct 2019	Sushil Thobhani – Service Lead - Governance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Meeting minutes for meetings are published on the internet for access by the public after the finalisation and agreement of meeting minutes has been confirmed.			<p>effectively capture the level of public participation by not recording the number of individuals involved in discussions or attending meetings.</p> <p><b>Parish Council Website</b></p> <p>We reviewed the Parish Council website and tested to confirm whether the most up to date meeting minutes had been uploaded and found the following:</p> <ul style="list-style-type: none"> <li>• April 2017 meeting had been cancelled due to failure to meeting quorum;</li> <li>• May 2017 meeting minutes had been uploaded but included the private meeting notes 'Part 2' of the meeting and the document was titled April 2017 meeting minutes;</li> <li>• July 2017, February 2018, March 2018 and April 2018 meeting minutes had been correctly uploaded but also included the private meeting notes under 'Part 2' of the meeting notes; and</li> <li>• The meeting minutes under the title May 2018 were meeting minutes for November 2017 and required updating with the correct set of meeting minutes.</li> </ul> <p>Items discussed under part 2 of the meeting included Parish Council employee health issues, complaints and other confidential items.</p> <p>The Parish Council is currently breaching employee privacy as it has published meeting minutes with confidential items discussed and these have not been anonymised or excluded.</p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
1.7	<p>No official purchase orders are raised for the purchase of goods or services to ensure that the appropriate authorisation has been obtained prior to the commitment of expenditure by the Parish Council.</p> <p>At each meeting a finance statement is presented to the Parish Council for review and approval. This statement details the following:</p> <ul style="list-style-type: none"> <li>Income;</li> <li>Expenditure (including staff costs); and</li> <li>Summary and Bank.</li> </ul> <p>Each element is presented with the actual of the month, actual year to date, budget year to date and variance year to date.</p>	No	N/A	<p><b>Use of Purchase Orders</b></p> <p>We obtained meeting minutes for all meetings between September 2017 and April 2018 and were able to confirm that in each meeting, report of the RFO and Finance Statements were presented.</p> <p>We were informed by [redacted] that there was no process in place for the use of purchase orders however, where required quotations or estimates would be obtained to seek the best value for money.</p> <p>Without the use of purchase orders there is an increased risk of queries, disputed and legal consequences should an order for goods or services be processed incorrectly.</p> <p>The use of purchase orders will allow the Parish Council to ensure that there is a clear audit trail available to confirm what goods or services are being purchased, the agreed cost and clarity on the payment terms.</p>	Medium	<p>Slough Borough Council will advise the Parish Council to implement the use of official purchase orders to approve the purchase of goods and services and this should be coded to an appropriate code in the budget.</p> <p>The Parish Council will also be advised that these will then need to be initialled to agree the details are correctly matched when goods or services have been invoiced to the Parish Council.</p>	31 <sup>st</sup> Mat 2019	Barry Stratfull – Service Lead Finance
1.7b	The Financial Regulations adopted by the Parish Council dated 2006 outlines the following in relation to	Yes	No	We requested evidence to confirm that the procurement requirements were complied with in accordance with the finance regulations for four items: heating expenditure, insurance and appointment of internal and external auditors.	Medium	Slough Borough Council will advise the Parish Council that where meeting minutes are due for approval, the Clerk will note whether they have been formally	31 <sup>st</sup> May 2019	Sushil Thobhani – Service Lead - Governance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<p>expenditure and entering into contracts:</p> <ul style="list-style-type: none"> <li>Expenditure which is intended to exceed £60,000 the Clerk must invite tenders from at least three firms;</li> <li>Expenditure which is expected to be within £60,000, the Clerk or RFO must obtain three quotations; and</li> <li>Where the expenditure is below £3,000 and above £100 the Clerk or RFO shall strive to obtain three estimates.</li> </ul> <p>The Financial Regulations outline that all members and Officers are responsible for obtaining value for money at all times. An Officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or</p>			<p><b>Heating Expenditure</b></p> <p>Through review of the 2017/18 budget, we were able to confirm that there was planned capital expenditure of £60,000 for the hall heating, hot water and pumps.</p> <p>We obtained evidence of quotes retained for three different suppliers however, noted in one instance the quote did not identify who the supplier was.</p> <p>The chosen supplier was cheapest for the original quote request at £11,427.69+VAT compared to the second cheapest of £15,362+VAT.</p> <p>The actual expenditure invoiced exceeded that of the initially quoted amount due to the decision to replace convection heaters as agreed within the meeting minutes of the Parish Council of September 2017, but this did not include a price for the replacement of the additional works.</p> <p>We noted that the full invoice amount of £18,152+VAT was challenged during the meeting of December 2017.</p> <p>Without the proper use of purchase orders, the Parish Council will not be able to adequately control the approval of the expenditure in relation to items such as the above.</p> <p>Whilst we note that there was no record of approval of a value for the additional works to be carried out by Tencer LTD, there was no challenge documented within the initial</p>		approved. Instances where there is disagreement relating to the content of the meeting minutes, sufficient detail will be captured as to the changes required.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	estimates from appropriate suppliers.			<p>agreement to require a quote prior to the commitment of the order.</p> <p>Without complete transparency, appropriate use of purchase orders and clearly documented meeting minutes, the Parish Council may not effectively control their expenditure, and this may result in commitment to expenditure which has not been fully agreed.</p> <p>Through review of meeting minutes for October 2017, we were unable to confirm that the meeting minutes for September 2017 had been confirmed, the meeting minutes for October identified that the July 2017 meeting minutes were approved, but not September 2017 where the decision was made. We reviewed the November 2017 meeting minutes and identified that the October 2017 meeting minutes required re-writing however, it did not include why this was required.</p> <p>There was insufficient audit trail available to confirm that the meeting minutes for September 2017 Parish Council meeting had been formally reviewed and approved. Therefore, we were unable to confirm whether the meeting minutes published for September 2017 provided a true and fair view of the discussions held within the September 2017 Parish Council meeting in relation to the commitment of additional works without a formally agreed quotation.</p> <p><b>Insurance 2018/19</b></p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>We were able to evidence within the July meeting minutes for the Parish Council that insurance expenditure was paid however, were unable to obtain evidence of challenge of the price offered by the supplier of insurance.</p> <p>Through discussion with _____, we identified that it was agreed by the Parish Council that they would accept the quote provided for the year and consider the market in 2018/19. We reviewed meeting minutes between December 2016 and July 2017 to confirm whether this was documented, and we were unable to obtain documented meeting evidence to confirm this was agreed.</p> <p>As noted above, there is insufficient audit trail maintained through meeting minutes due to the level of detail captured within meeting minutes.</p> <p><b>Appointment of Internal Auditors</b></p> <p>The RFO confirmed that the appointment of the Internal Auditors was initially agreed however, due to the medical circumstances of the auditor this did not match the council's timeline due to the deadline for preparation of the annual return.</p> <p>The Parish Council therefore appointed the auditors with the most expensive quote however, the quality of the service to be provided was also taken into consideration as well as the requirement for the completion of the internal audit within a</p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>small timescale due to the requirement to complete the annual return.</p> <p><b>Appointment of External Auditors</b></p> <p>Through discussions with _____, we were able to confirm that external auditors are assigned to the Parish Council by the Smaller Authorities' Audit Appointments is the sector led company appointed by the then Department of Communities and Local Government (now Ministry of Housing, Communities and Local Government) as the 'specified person' to procure and appoint external auditors to smaller authorities, perform the functions set out in the relevant legislation, and to manage the ongoing audit contracts awarded for the 5 year period commencing 1 April 2017.</p> <p>Furthermore, the RFO provided us with an introductory email confirming that PKF Littlejohn LLP had been appointed as External Auditors for the Parish Council.</p>				
1.8	No formal contracts of employment for staff employed at the Parish Council are in place. The Parish Council did however have procedural guides to the working practices of the following staff members: <ul style="list-style-type: none"> <li>Clerk to the Council;</li> </ul>	No	N/A	<p>The Parish Council does not have formal contracts of employment in place for its current employees. We were informed by _____ that the job roles, structure were being reviewed by a HR Consultant from Berkshire Association of Local Councils (BALC).</p> <p>We noted that the current procedural guides for working practices were dated between 2006 and 2008 and included outdated information in relation to the</p>	High	Once the review by BALC has been completed, Slough Borough Council will advise the Parish Council to implement new Contracts of Employment for all staff at the Parish Council. These will then be subject to regular review and update to ensure they remain fit for purpose.	31 <sup>st</sup> Jan 2019	Surjit Nagra – Service Lead - People

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<ul style="list-style-type: none"> <li>Assistant Clerk (Responsible Finance Officer); and</li> <li>Booking Clerk.</li> </ul> <p>The procedural guides outlined the key duties of the individuals in relation to day to day operations.</p>			<p>Parish Council and required significant levels of updating.</p> <p>We were however, informed by that once the review by BALC is fully completed a new structure would be defined, job roles and descriptors would be re-developed and contracts of employment for all staff will be developed.</p> <p>We were informed that employees of the Parish Council were being paid as per their agreed salaries however, noted that there was additional overtime being added to the financial statements presented each month to the Parish Council for approval.</p> <p>As there were no formal employment contracts in place at the time of our review, we were unable to confirm that the Parish Council was paying its employees the correct remuneration or sufficient overtime rates. Therefore, there is a risk that the Parish Council may be under/overpaying its employees.</p>		The Clerk will also be advised to re-develop the role descriptors and structure of the Parish Council employees following the receipt of advice from the BALC review.		
1.9	<p>The Parish Council budget papers outlined the planned income and expenditure for 2018/19.</p> <p>The Parish Council also outline the forecasted capital expenditure for the year which may include community projects, improvement of current land or buildings</p>	No	N/A	<p>We obtained the 2018/19 budget papers and identified that the Capital and General Funds Spend Forecast was incomplete.</p> <p>Through discussion with , we identified that the balance in the Parish Councils bank account had a significant surge due to an amendment to the lease of the land where the Parish Council Hall and fields are located. We were informed that Slough Borough Council had reclaimed this</p>	Medium	Slough Borough Council will advise the Parish Council to develop and agree a Capital Expenditure Plan for 2018-2021 identifying where it intends to make capital investments to improve the facilities, services or infrastructure within the local community.	31 <sup>st</sup> May 2019	Barry Stratfull – Service Lead - Finance

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<p>and a general fund for which expenditure is identified as and when required.</p> <p>The Parish Council held in excess of £300k within one bank account at the end of the 2017/18 Financial Year.</p> <p>The Parish Council did not have a long-term Capital Expenditure Plan.</p>			<p>land from the Parish Council for a fee, in order to build new homes.</p> <p>We were informed by [redacted] that the Parish Council hold all of its monies in a single bank account and noted that the account held £321,540 at the end of the financial year 2017/2018.</p> <p>We noted that the FSCS as mentioned above have a claim limit of £85,000. Therefore, there is a risk that the Council may face challenge in relation to the sum of funds held within its bank account and question the protection of these funds with reference to the FSCS (Financial Services Compensation Scheme) limit of £85,000. There is a risk that the Council could lose a significant sum of money should the financial services firm where the money is held fail.</p> <p>Furthermore, we noted that as there was no capital expenditure plan in place for the Parish Council, this may prompt questions regarding the best use of the funds for the local community and may lead to reputational damage in relation to the Parish collecting precept money but not matching the funds collected with the expenditure of the Council.</p>				

# APPENDIX A: SCOPE

The scope below is a copy of the original document issued.

## Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following areas:

### Objectives of the area under review

To ensure that the money received via the Precept payment is spent in line with the authority delegated.

When planning the audit, the following areas for consideration and limitations were agreed:

#### Areas for consideration:

As part of a rolling series of audits of the Parish Councils, we will review the Governance arrangements in place to provide assurance to the Council that the precept collected for parishes is being used as intended. This will include review of:

- Whether the statutory duties, powers, and subsequent legal obligations of the Parish Council have been documented and are subject to regular review;
- Whether there is any alignment between Council policies and procedures and Parish documents.
- Whether Parish Councils efficiently prioritise and undertake activities arising from statutory duties, powers, and subsequent legal obligations;
- Whether there is evidence of engagement with local residents and other key stakeholders to deliver the services and facilities required;
- Whether a process is in place for taking informed, transparent decisions and managing risk; and
- Whether expenditure is appropriately monitored, recorded, and reported. This will include review of the process for the appointment of auditors to sign off annual accounts.

#### Limitations to the scope of the audit assignment:

The scope of the work will be limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review.

- The review has been undertaken on an advisory basis and as such, no opinion has been provided.
- Any testing undertaken as part of this audit will be compliance based and sample testing only.
- The review will not provide assurance of all areas of compliance as it will be undertaken on a sample basis.
- We will not guarantee the accuracy of financial statements but will review the governance around decision making in line with their statutory responsibilities.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.
- The review does not aim to cover all aspects of the Parish Council as this would be impractical for the resources allocated to the review. It aims to provide assurance that the key arrangements outlined above are in place and complied with. As such this review should not be considered to provide assurance over the whole Parish Councils arrangements.