

## HARTPURY PARISH COUNCIL.

Internal auditor's report for the year ended 31 March 2020

Date of Internal Audit: 13<sup>th</sup> March 2020

Name of Auditor: Margaret J Highton

**GAPTC internal audits comply with the proper practices outlined in the Governance & Accountability for Smaller Authorities – A Practitioners' Guide and the Accounts and Audit Regulations 2015.**

The GAPTC internal audit reviews and reports on whether the systems of financial and other internal controls over its activities and operating procedures are effective. The audit tests a variety of documents, including agendas and minutes, policies, insurance and risk management processes, to ensure Council meets the requirements set out in the Annual Internal Audit Report in the Annual Governance & Accountability Return. The internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

Our auditors are independent of the Council and are competent to be able to carry out the requirements of the internal audit service.

### 1. Working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/ recommendations	Evidence
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes	Recommend put adoption date on document	Website
1.2	Have Standing Orders been reviewed and minuted?	Yes		20/05/19 AM Minute 6

1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes		Website
1.4	Have Financial regulations been reviewed and minuted?	Yes		20/05/19 AM Minute 6
1.5	Does the council have a grant awarding policy?	Yes		Website Adopted 02/03/2020
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	N/A		
1.7	Code of conduct reviewed?	Yes		20/05/19 AM Minute 5

## 2. Admin

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	No		
2.2	Is there a separate account for s.137 payments and within statutory limits?	Yes		Clerk's Computer
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes		Done 02/03/2020
2.4	Was Petty Cash expenditure approved, if any?	N/A		
2.5	Receipts issued for cash income?	N/A		
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		Clerk's Account file
2.7	VAT - recorded and paid / reclaimed properly?	Yes		Clerk's Computer

2.8	Purpose of loan and power identified, if applicable?	N/A		
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### 3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
3.1	Insurance policy in place?	Yes		Clerk's Manual
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		2/9/2019 Minute 9.3
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes		Website Reviewed 20/05/19 AM Minute 12
3.4	Evidence that internal controls take place and are documented	Yes		06/01/2020 Minute 13.4
3.5	Asset register seen and reviewed regularly?	Yes		Reviewed 20/05/19 AM Minute 15

3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	No	Needs to be checked annually and recorded in minutes	
3.7	Review of investments, including bank accounts?	No	Needs to be reviewed and recorded in minutes	
3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes		Clerk's Account File
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.10	Electronic and physical records backed up?	Yes		Memory Stick – Weekly One Drive (Cloud)

#### 4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/ recommendations	Evidence

4.1	Details of public land and building assets on website (if applicable)?	N/A	No land or buildings owned	
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Yes		Advised by Clerk that this requirement is met
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes		Website

## 5. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
5.1	Was a budget properly prepared, adopted and minuted?	Yes		2/9/2019 Minute 9.5

5.2	Were the objectives of the reserves identified?	Yes		Accounts on website
5.3	Was the precept demand properly minuted in full council?	Yes		04/11/19 Minute 11.4
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes	Recommend Councillor & Clerk should initial Bank statement and bank Reconciliation.	06/01/2020 Minute 13.2
5.5	Did the council regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes?	Yes		Shown to councillor at each meeting
5.6	Are any significant unexplained variances from budget reported?	Yes		Shown to councillor at each meeting

## 6. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
6.1	Do all staff have a contract of employment?	Yes		Clerk's manual
6.2	Do salaries paid agree with those approved by Council?	Yes		20/05/2019 Minute 9.6
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		Clerk's manual
6.4	Minimum wage paid?	Yes		Paid to SLCC/NALC guidelines
6.5	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A		
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Yes but	No minute found, but council should minute that a pension was offered but not accepted in order to meet legislative requirements	

6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		Reviewed 02/03/2019
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## 7. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
7.1	Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting?	N/A		
7.2	Council as a whole to consider the year-end accounts?	Yes but	This needs to be minuted	
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		20/05/19 Minute 9.3

7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		20/05/19 Minute 9.4
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Yes		20/05/19 Minute 9.5
7.7	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N/A	Exempt Council	

## 8. Other matters

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence

8.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public?	Yes		Website
8.2	Is the Council a Managing Trustee?	No		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Did council formally appoint GAPTC as the Internal Auditor?	Yes		06/01/2020 Minute 13.3

## 9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council

9.1	Minutes – DPIs or other interests recorded?	Yes		01/07/2019 2 04/11/2019 2
9.2	Minutes initialled on each page and final page signed?	Yes		Minute File
9.3	List of members' interests held and published on the website?	Yes		Website
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Website - Agenda
9.6	Summons issued in proper format?	Yes		Website - Agenda

## 10. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence

10.1	Is income properly recorded and promptly banked and receipts issued for cash income?	Yes		Clerk's Account File
10.2	Audit trail for selected sample transactions?	Yes		
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A		