

HARTPURY PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2021
Name of Auditor: Margaret 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; a) tailored to council? b) formally adopted?	Yes		a) Website b) 2/11/2020 Item 12
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes		a) & b) 2/11/2020 Item 12
1.3	Have Financial Regulations been a) tailored to	Yes		a) Website b) 2/11/2020 Item 12

	council? b) formally adopted?			
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes		a) & b) 2/11/2020 Item 12
1.5	Does the council a) give grants? b) have a grant-awarding policy?	Yes		a) Website b) Adopted 2/3/2020
1.6	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A		
1.7	Code of conduct reviewed in the last 2/3 years?	Yes		Website Reviewed 2/11/2020 Item 12

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	N/A		

	minute reference)?			
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	Yes		Cashbook on Website
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	Yes	Only one held - Freeola	Authorised when paid 02/11/2020 Item 6.1
2.4	Was Petty Cash expenditure approved, if any?	N/A	No Petty Cash	
2.5	Is all expenditure supported by VAT invoices, if applicable?	Yes		Sample of Transactions
2.6	VAT – a) recorded in accounts b) reclaimed?	Yes		a) Cashbook on website b) Reclaim credited to account 19/03/2020
2.7	Purpose of loan and power identified, if applicable?	N/A	No Loans	

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		Viewed
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		07/09/2020 Item 6.6
3.3	Copy of Risk Management policy seen?	Yes		Website
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	Yes		Bank Reconciliation done at every meeting: 06/07/2020 Item 6.2 and 07/09/2020 Item 6.2. Quarterly Financial Check: 07/09/2020 Item 6.4 and 02/11/2020 Item 6.3
3.5	Does the council carry out an annual review of the effectiveness of their overall internal audit arrangements?	Yes		Reviewed 2/11/2020 Item 12 as part of Risk Assessment Policy
3.6	Asset register seen and reviewed regularly?	Yes		Website Reviewed 2/11/2020 Item 12
3.7	Evidence that	a) Yes	A walk around the parish to inspect assets was	Minutes 2/11/20

	assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?	b) No c) No	mentioned in the minutes dated 2/11/2020, however no evidence of assets being checked. Recommend that council formalises risk assessments and minutes outcome and actions	
3.8	Review of a) investments? b) bank mandates?	Yes		a) None held b) 04/05/2020 Item 7.8
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	No debit or credit cards held	
3.10	Are a) physical records secure? b) electronic records backed up?	Yes	When Covid restrictions are lifted, it might be an idea to contact Gloucestershire Archives to see if they will take some of the archive material, if it is of public interest, such as Minutes.	a) Locked filing cabinet and archives material in locked shed b) Office 365 used and Memory Stick backed up every month

4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
4.1	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less	Yes		Minutes of meeting on 4/02/2021 on website 16/02/2020

	than £25,000)?			
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes		Items on 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 for the year under review a) prepared? b) adopted? c) minuted?	Yes	A copy of the budget should be placed on the website.	a) Circulated to all b) & c) 2/09/2019 Item 9.5
5.2	Reserves: a) Is there a reserve policy b) Were the objectives of the	a) No b) Yes		Budget

	reserves identified?			
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		4/11/2019 item 1.4
5.4	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		Financial statements circulated to all councillors before each meeting
5.5	Are any significant unexplained variances from budget reported?	Yes		02/11/2020 Item 5.3

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		Viewed
6.2	Do salaries paid agree with those approved by	Yes		02/11/2020 Item 6.5

	Council?			
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes	Basic PAYE tools used	Payments to HMRC viewed on cash book
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	No councillor's allowances or expenses paid	
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes		Clerk offered and declined Minuted 07/09/2020 Item 6.5
6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		Reviewed 02/03/2019

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	Payments & Receipts used	
7.2	Does council as a whole consider the year-end accounts?	Yes		04/05/2020 7.3
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	Yes		04/05/2020 7.6
7.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		04/05/2020 7.4
7.5	Annual Statement of Accounts, section	Yes		04/05/2020 7.5

	2 of Annual Return, approved by whole council?			
7.6	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website
7.7	Did council correctly provide for the exercise of public rights?	Yes	Recommend that the dates for the exercise of public rights are recorded in the minutes	Website
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes		Reviewed 04/05/2020 Item 7.7 Report on action taken or to be taken 06/07/2020 6.3
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N/A		

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		Data Protection policy on website
8.2	Is the Council a Managing Trustee?	N/A		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Website Accessibility Statement on website home page?	Yes		Website
8.5	Did council formally appoint GAPTIC as the Internal Auditor?	Yes	Recommend that the minute appointing the auditor should say that council has assured itself that the auditor is independent and competent'	04/01/2021 Item 6.5
8.6	Are registers up to date for council-owned burial grounds and	N/A	No burial grounds	

	purchase of Exclusive Rights of Burials certificate completed?			
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9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
9.1	Minutes – DPIs or other interests recorded?	Yes		Minutes on website
9.2	Minutes initialled on each page and final page signed?	Yes		Viewed
9.3	List of members' interests held and published on the website?	Yes		Website
9.4	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Website
9.5	Summons issued in proper format?	Yes		July 2020 and September 2020 agendas viewed