



HARTPURY PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: Mrs 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.

NOTE The auditor will complete the Annual Internal Audit Report (AIAR) page on the Annual Governance & Accountability Return (AGAR). The AIAR informs the Annual Governance Statement (AGS) assertions on the AGAR, so when council reviews the AGS, the responses must reflect the AIAR report.

1. Council 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? | Yes | | a) Website b) 2020 SO template used c) 03/05/2021 Item 5 |

| | | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------------------|----------------------------------------------------------------|
| | b) reviewed using the most recent version? c) minuted? | | Annual Governance Statement Assertion 1 | |
| 1.2 | Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B) | Yes | Annual Governance Statement Assertion 1 | a) Website b) 2019 FR template used c) 03/05/2021 Item 5 |
| 1.3 | Does the council a) give grants? b) have a grant-awarding policy? | Yes | | a) No grants given this year b) Website |
| 1.4 | Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations? | N/A | Annual Governance Statement Assertion 2 & 3 | |
| 1.5 | Code of conduct reviewed in the last 2/3 years? | Yes | Annual Governance Statement Assertion 3 | On website Reviewed by councillors on 02/11/2020 Item 12 |

2. Finance

| 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), if Council qualifies? | Yes | Annual Governance Statement Assertion 3 | 03/01/2022 Item 6.7 |
| 2.2 | S137 a) is there a separate account for payments? b) are totals within statutory limits? (for Council's that do not held General Power of Competence) | Yes For period before GPC | Annual Governance Statement Assertion 1 & 3 | a) Cashbook b) Stated in Cashbook |
| 2.3 | Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B) | N/A | No SOs and DDs Annual Governance Statement Assertion 1 | |
| 2.4 | Was Petty Cash expenditure approved, if any? (Objective F) | N/A | No Petty Cash Annual Governance Statement Assertion 1 | |
| 2.5 | Is all expenditure | Yes | | See transaction checklist |

| | | | | |
|-----|--------------------------------------------------------------------|-----|-----------------------------------------|-------------------------------------------------------------|
| | supported by VAT invoices, if applicable? (Objective B) | | Annual Governance Statement Assertion 1 | |
| 2.6 | VAT – a) recorded in accounts b) reclaimed? (Objective B) | Yes | Annual Governance Statement Assertion 1 | a) Cashbook b) Reclaim payment in Cashbook 29/03/2021 |

3. Risk management

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|---------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------|
| 3.1 | Insurance policy a) in place? b) cover reviewed to ensure still fit for purpose? (Objective C) | Yes | Annual Governance Statement Assertion 5 | a) Viewed on laptop b) 3-year term ending 9/23. Reviewed 7/5/2021 Item 10 and 6/9/2021 Item 6.1 |
| 3.2 | Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C) | Yes | Annual Governance Statement Assertion 5 | a) Website b) 03/05/2021 Item 9 |
| 3.3 | Asset register a) reviewed regularly? (Objective H) | Yes | | a) 03/05/2021 Item 8 b) On website |

| | | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------|-----------------------------------------------------------------------------------------|
| | b) published on website? (Objective L) | | Annual Governance Statement Assertion 5 | |
| 3.4 | Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C) | Yes | Annual Governance Statement Assertion 5 | a) Inspected in January 2022 b) and c) Actions to be done minuted 03/01/2022 Item 12 |
| 3.5 | Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standing Orders (Objective B) | Yes | Annual Governance Statement Assertion 2 | a) & b) Documentation seen c) 06/09/2021 Item 6.5 and 01/11/2021 Item 6.3 |
| 3.6 | Bank reconciliations are on agenda to be considered by Council? (Objective I) | Yes | Annual Governance Statement Assertion 1 | 03/05/2021 15.2, 05/07/2021 Item 6.2 and 06/11/2021 Item 6.4 |
| 3.7 | Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C) | N/& Yes | Annual Governance Statement Assertion 1 | a) No investments b) 03/05/2021 Item 16.5 |

| | | | | |
|-----|------------------------------------------------------------------------|-----|--------------------------------------------------------------|----------------------------------------------------------|
| 3.8 | If bank cards in use, are proper procedures in place? (Objective B) | N/A | No bank cards Annual Governance Statement Assertion 1 | |
| 3.9 | Are a) physical records secure? b) electronic records backed up? | Yes | Annual Governance Statement Assertion 5 | a) In locked filing cabinet b) One drive/Memory Stick |

4. Budgetary controls

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------|--------------------------------------------------|
| 4.1 | Was a budget properly for the year under review a) prepared? b) adopted? c) minuted? (Objective D) | Yes | Annual Governance Statement Assertion 1 | Budget viewed 02/11/2020 Item 6.6 |
| 4.2 | a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? | Yes | Annual Governance Statement Assertion 1 | a) Yes b) General reserves 82% of expenditure |

| | | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| | (Objective D) | | | |
| 4.3 | Was the precept demand for the year under review properly minuted in full council? | Yes | | 02/11/2020 Item 6.7 |
| 4.4 | Did the council a) regularly compare budget vs spend (as detailed in the financial regulations) b) and evidenced in the minutes? (Objective D) | Yes | It would be advisable to be clearer in the minutes what information has been seen by councillors and confirm that it has been approved. Annual Governance Statement Assertion 1 | Budget and payments to date sent to each councillor before each meeting. It is recorded as account and bank reconciliation seen |
| 4.5 | Are any significant variances from budget reported? | N/A | Annual Governance Statement Assertion 2 | No significant variances seen |

5. Payroll

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--------------------------------------------------------|---------------------------------|---------------------------------------------|--------------------------|
| 5.1 | Do all staff have a contract of employment? | Yes | Annual Governance Statement Assertion 3 | Contract seen |
| 5.2 | Do salaries paid agree with those approved by Council? | Yes | Annual Governance Statement Assertion 1 | Figures seen and checked |

| | | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------|-----------------------------------------------------------------|
| | (Objective G) | | | |
| 5.3 | Has Council a) registered as an employer with HMRC? b) have PAYE / NIC been properly dealt with (including year-end procedures)? (Objective G) | Yes | | a) & b) PAYE Basic tools used |
| 5.4 | Are Councillor's allowances and expenses properly authorised & controlled, if any? | N/A | None paid Annual Governance Statement Assertion 1 | |
| 5.5 | Pension provision – eligible employees a) offered pension scheme? b) outcome minuted? | Yes | Annual Governance Statement Assertion 3 | a) Clerk offered pension and declined b) 01/09/2020 Item 6.6 |
| 5.6 | Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with Pension Regulator | Yes | | a) 2016 b) Reregistered 23/01/2022 |

| | |
|----------------------------------------------|-----------------------------------------|
| been reviewed (required every 3 years) | Annual Governance Statement Assertion 3 |
|----------------------------------------------|-----------------------------------------|

6. Year-end procedures

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------|----------------------|
| 6.1 | Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting? (Objective J) | N/A | Receipts and Payments used Annual Governance Statement Assertion 1 | |
| 6.2 | Does Council as a whole consider the year-end accounts in addition to 6.5? (Objective J) | Yes | Annual Governance Statement Assertion 1 | 03/05/2021 Item 15.3 |
| 6.3 | Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) | Yes | Annual Governance Statement Assertion 1 | 03/05/2021 Item 16.3 |

| | | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------|----------------------|
| | (Objective K) | | | |
| 6.4 | Annual Governance Statement, section 1 of Annual Return, approved by whole council (with separate minute number from Section 2 below)? | Yes | Annual Governance Statement Assertion 3 | 03/05/2021 Item 16.1 |
| 6.5 | Annual Statement of Accounts, section 2 of Annual Return, approved by whole council (with separate minute number from Section 1 above)? | Yes | Annual Governance Statement Assertion 3 | 03/05/2021 Item 16.2 |
| 6.6 | Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N) | Yes | Annual Governance Statement Assertion 3 | On Website |
| 6.7 | Did council correctly provide for the exercise of public rights? (Objective M) | Yes | Annual Governance Statement Assertion 4 | 03/05/2021 Item 16.4 |
| 6.8 | Previous internal audit report reviewed by council and action taken where | Yes | | 01/03/2021 Item 6.3 |

| | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------|--|
| | recommended? | | Annual Governance Statement Assertion 7 | |
| 6.9 | Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended? | N/A | Annual Governance Statement Assertion 7 | |

7. Other matters

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------|----------|
| 7.1 | Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public? | Yes | Annual Governance Statement Assertion 3 | Website |
| 7.2 | Is the Council a Managing Trustee? | N/A | Council not a Managing Trustee Annual Governance Statement Assertion 9 | |
| 7.3 | Do trustees meet at least once a year and publish separate accounts? (Objective O) | N/A | Annual Governance Statement Assertion 9 | |
| 7.4 | Website Accessibility | Yes | | Website |

| | | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| | Statement on website home page? | | Annual Governance Statement Assertion 3 | |
| 7.5 | Did council formally appoint GAPTC as the Internal Auditor? | Yes | Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 6 | 01/11/2021 Item 6.6 |
| 7.6 | Are registers up to date for council-owned burial grounds (if any) and purchase of Exclusive Rights of Burials certificate completed? | N/A | No burial grounds Annual Governance Statement Assertion 3 | |

8. Procedures

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments | Evidence |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------|
| 8.1 | Minutes: a) DPIs or other interests recorded? b) published on website in draft form within one month (mandatory for councillors with a turnover of less than £25,000)? | Yes | | a) & c) Minutes 06/09/2021 & 01/11/2021 b) Draft minutes of 03/01/2022 on website within one month |

| | | | | |
|-----|--------------------------------------------------------------------------------------------------------|-----|-----------------------------------------|----------------------------------------|
| | (Objective L) c) initialled on each page and final page signed? | | Annual Governance Statement Assertion 3 | |
| 8.2 | List of members' a) responsibilities (Objective L) and b) interests held and published on the website? | Yes | Annual Governance Statement Assertion 3 | a) & b) On website |
| 8.3 | Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L) | Yes | Annual Governance Statement Assertion 3 | Agendas 05/07/2021 and 06/09/2021 seen |
| 8.4 | Summons issued in proper format? | Yes | Annual Governance Statement Assertion 3 | Agendas 05/07/2021 and 06/09/2021 seen |