

TIDENHAM PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2020
Date of Internal Audit: 17th February 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		Website 16/01/2019 – Minute Number 10
1.2	Have Standing Orders been reviewed and minuted?	YES	Not yet in 2020 but will be done May 2020	
1.3	Have Financial Regulations been tailored to council	YES		16/09/2015 MN 13 (b)

	and formally adopted?			
1.4	Have Financial regulations been reviewed and minuted?	YES		15/05/2019 MN 9
1.5	Does the council have a grant awarding policy?	YES		Website
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		Website Minute 5/07/18 MN 10

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)?	N/A	Not yet eligible	
2.2	Is there a separate account for s.137 payments and within statutory limits?	YES		Cash Book on Clerk's laptop
2.3	Council authorisation of Direct Debit list and Standing Orders?	YES	Only ICO	05/19 MN 11
2.4	Was Petty Cash expenditure approved, if any?	N/A	No Petty Cash held	
2.5	Receipts issued for cash income?	N/A	No Cash Income	
2.6	Is all expenditure supported by VAT invoices, if applicable?	YES		Invoice File
2.7	VAT - recorded and paid / reclaimed properly?	YES		VAT Return on Clerk's laptop

2.8	Purpose of loan and power identified, if applicable?	N/A	No Loans	
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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		In Clerk's record Tidenham Parish Council Employers Liability Certificate 19/20 on website
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	YES		18/09/19 MN 13
3.3	Copy of Risk Management policy and Risk Assessment seen?	YES		Website 19/06/19 MN 19 reviewed
3.4	Evidence that internal controls take place and are documented	YES	Suggest that councillors should indicate which cheques they chose to check to ensure Chairman of Committee, who is a cheque signatory, cannot choose which cheques are to be checked.	Minuted Finance Meeting 5/6/19 MN 8 Recommendation introduced at Finance Committee meeting on 4th March 2020
3.5	Asset register seen and reviewed regularly?	YES	Done but suggested that this is recorded in Parish minutes and on Asset register	Each time the Assets are reviewed this will in future be noted as an agenda item

3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	YES		Amenities Committee 01/05/19; 03/07/19; 11/09/19
3.7	Review of investments, including bank accounts?	YES		15/05/19 MN 10
3.8	Is 'two councillor signatures' rule applied for payment orders?	YES		
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	No debit or credit cards held	
3.10	Electronic and physical records backed up?	YES		Cloud Back Up External Hard Drive

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)?	YES		Asset Register on Website

4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	YES		15/01/2020 Full Council Meeting on website 10/02/2020 08/01/2020 Amenities Committee on website 10/02/2020
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	N/A	Turnover 17/18 £111,914; turnover 18/19 £108,504 but good practice would be to adhere to the Transparency Code for councils with a turnover of less than £25,000.	This comment was added by GAPTC as they are trying to encourage all Parish Councils to publish more detailed information. Tidenham publish information as per the Transparency Code, other than a list of Council owned land which will be published shortly.

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	Recommend budget also shows comparison of actual spend vs budget for previous year	Approved by full council 12/2019 MN 11
5.2	Were the objectives of the reserves identified?	YES		

5.3	Was the precept demand properly minuted in full council?	YES		Full Council 12/19 MN 14
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	YES		Website – Finance pages
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		Eg Finance Committee 4/19/19 MN b)
5.6	Are any significant unexplained variances from budget reported?	YES		On agenda 02/2020

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		Copy on Clerk's laptop
6.2	Do salaries paid agree with those approved by Council?	YES		03/19 MN 21 09/19 MN 5
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	YES		Done by outside Contractor TP Jones
6.4	Minimum wage paid?	YES		Paid according to SLCC/NALC rates
6.5	Are Councillor's allowances and expenses properly authorised & controlled, if any?	YES		Graham Drew: Dec 19 minutes – Payment Approval Sheet
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	YES		16/10/16 MN 11

6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	YES		Being reviewed at the moment Return completed 1 st June 2020

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	Receipts and Payments reporting used	
7.2	Council as a whole to consider the year-end accounts?	YES		15/05/19 MN 21 c)
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	YES		17/04/19 MN 11
7.4	Annual Statement of Accounts, section	YES		15/05/19 MN 21

	2 of Annual Return, approved by whole council?			
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	YES		
7.6	Previous internal audit report reviewed by council and action taken where recommended?	YES		15/05/2019 MN 22
7.7	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	YES		18/09/2019 MN 17

8. Other matters

Ref	Test	Meets reqmts? Yes, No or	Internal Auditor's comments/recommendations	Evidence
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		N/A		
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?	YES	Mopla Cottages	
8.3	Do trustees meet at least once a year and publish separate accounts?	YES	Meet Quarterly and minutes held by Clerk	Accounts on Charity Commission Website
8.4	Did council formally appoint GAPTC as the Internal Auditor?	YES		20/11/19 MN 12

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		20/11/19 MN 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		Published Thursday/Friday before Wednesday meeting – Website
9.6	Summons issued in proper format?	YES		Agenda on website/Clerk's Laptop

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	No Cash Received	Council Invoices, Paying in Books and Bank Statements
10.2	Audit trail for selected sample transactions?	YES		See Attached Sheet

10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A	No council-owned burial grounds	
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