

TIDENHAM 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		Adopted 16/01/2019 page 20 Item 10 on website
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes		Minutes: 20/04/2020 Page 37 item 2 on website
1.3	Have Financial Regulations been	Yes		16/09/2015 age 10 item 13(b) with all subsequent readoptions and amendments on

	a) tailored to council? b) formally adopted?			website copy
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes		Reviewed and adopted most up-to-date Financial Regulations Minute 20/01/2021 Page 28 item 12
1.5	Does the council a) give grants? b) have a grant-awarding policy?	Yes		Adopted July 18 Page 8 item 11 on website
1.6	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes		Amenities Committee 11/20 Page 6 Item 8a)
1.7	Code of conduct reviewed in the last 2/3 years?	Yes		Website Revised 07/18 Page 8 item 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	General Power of Competence not held	
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	Yes		Viewed on Cashbook, which states statutory limit
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	Yes	Only ICO	Meeting 6/20 page 5 Item 13
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		Viewed on sample of invoices
2.6	VAT – a) recorded in accounts	Yes		Viewed on Cashbook and VAT return

	b) reclaimed?			
2.7	Purpose of loan and power identified, if applicable?	N/A	No Loans held	

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		Insurance Policy seen
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		Meeting 9/20 Page 12 item 10
3.3	Copy of Risk Management policy seen?	Yes		On website reviewed and re-adopted 19/06/19 p7 item 20
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	Yes	Chairman checks bank reconciliation each month. Monthly finance statements are sent to all councillors and are available on website. As BACS is used all payments are shown on bank statement with payee's name Another Councillor checks Receipts and Payments sheet at quarterly Finance Committee Meeting	Finance Committee 2 nd September 2020 Item 7 – QUARTERLY FINANCIAL CHECKS Resolved to approve continued postponement of quarterly checks until Covid 19 lockdown measures are lifted and while scrutiny of relevant paperwork cannot be undertaken.
3.5	Does the council carry out an annual review of the effectiveness of	Yes	To be reviewed in March 2021. Also recommend that the minute appointing the auditor should say that council has assured itself that the auditor is independent and competent.	

	their overall internal audit arrangements?			
3.6	Asset register seen and reviewed regularly?	Yes		Meeting 5/20 p2 Item b)
3.7	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?	Yes		Amenities committee meet monthly and consider any issues re Parish Assets and these are minuted.
3.8	Review of a) investments? b) bank mandates?	Yes	To be reviewed in March 2021	17/04/2019 p31 Item 12
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		All records backed up to the Cloud and on remote hard drive. Auditor did not ask about physical records but recommend that these are secure.

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 than £25,000)?	Yes		Website
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes	The Council complies with the Transparency Code for Councils with a turnover of less than £25,000, which is good practice.	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	Yes		a) Finance Committee 12/20 4 b) and c) 12/20 Full Council Item p24 Item

	under review a) prepared? b) adopted? c) minuted?			10 a)
5.2	Reserves: a) Is there a reserve policy b) Were the objectives of the reserves identified?	Yes		a) On budget sheet b) Finance Committee 12/20
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		Full Council 12/20 Item 10 b) p24
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	Done at quarterly Finance Committee Meeting	Finance Meeting 2/12/20 Item 6 b)
5.5	Are any significant unexplained variances from budget reported?	N/A		

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		Contracts seen
6.2	Do salaries paid agree with those approved by Council?	Yes		Payslips viewed 12/20 Item 18 and 10/20 Item 21
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes	Dealt with by an accountant	Tax Statement seen
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	No expenses paid	
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes		16/10/16 Item 11 for Clerk and Assistant Clerk is also contribution to a pension

6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		6/2020 Item 12
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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	Payments and receipts reporting used	
7.2	Does council as a whole consider the year-end accounts?	Yes		5/20 Item 10 c)
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	N/A		
7.4	Annual Governance	Yes		5/20 Item 10 a)

	Statement, section 1 of Annual Return, approved by whole council			
7.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		5/20 Item 10 c)
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		5/20 Item 10 d) Exercise for public rights document seen
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes		Meeting 18/3/20 Item 12 Internal Audit report considered. Internal audit is on website and amendments to be made highlighted in red and all completed.
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Yes	Comment was of a technical nature re exercise of public rights and council was made aware.	18/11/2020 p21 Item 12

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 Reviewed 15/01/2020 Item 11
8.2	Is the Council a Managing Trustee?	Yes	Trustees of Mopla Cottages	
8.3	Do trustees meet at least once a year and publish separate accounts?	Yes		Minutes of trust and accounts seen. Meetings are quarterly
8.4	Website Accessibility Statement on website home page?	Yes		Website
8.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes		12/20 Full Council Item 11
8.6	Are registers up to date for council-owned burial	N/A	No council-owned burial grounds	

grounds and 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	All minutes contain this statement: THE LOCAL AUTHORITIES AND POLICE AND CRIME PANELS (CORONAVIRUS) (FLEXIBILITY OF LOCAL AUTHORITY AND POLICE AND CRIME PANEL MEETINGS) (ENGLAND AND WALES) REGULATIONS 2020. These minutes were approved by all Councillors at a virtual meeting of the Parish Council held under the above regulations during the Covid 19 lockdown period on 20th May 2020 and deemed to have been signed as of that date.	Minutes on Website Statement made on 4/20 2. SIGNING OF DOCUMENTS Resolved to approve annotation of documents such that they are deemed to be signed following approval at a virtual meeting where a signature would normally be required at a face-to-face meeting.
9.3	List of members' interests held and published on the website?	Yes		On website

9.4	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Public copy on website
9.5	Summons issued in proper format?	Yes		Councillors Copy seen

Although, due to the COVID pandemic, the usual checks are not being done on the finances in accordance with the Financial Risk Assessment, I feel that the financials controls in place are sufficient. All checks are minuted and all financial statements are available on the website as well as sent to all councillors.

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