



TIDENHAM PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
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.

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) & c) 19/01/2022 item 10

	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) & c) Adopted 05/05/2021 Item 9
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes		a) Yes agreed by Finance Committee b) Website
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Annual Governance Statement Assertion 2 & 3	Quotes seen and minuted 14/07/2021 Item 9
1.5	Code of conduct reviewed in the last 2/3 years?	No but	Council was waiting for a new model code. Clerk is aware that this should be done. Annual Governance Statement Assertion 3	Reviewed 05/07/2018

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	17/11/2021 Item 14
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 Yes	Annual Governance Statement Assertion 1 & 3	Cashbook
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	Annual Governance Statement Assertion 1	Only 1 DD OCO 15/09/2021 Item 16
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	No Petty Cash held Annual Governance Statement Assertion 1	
2.5	Is all expenditure supported by VAT invoices, if	Yes		Transaction Checklist

	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) Return 01/04/19 – 21/02/2020 viewed

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) Policy viewed b) Renewal minuted 15/09/2021 Item 19
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Yes	Annual Governance Statement Assertion 5	a) and b) Reviewed and re-adopted 17/11/2021 Item 16
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website?	Yes	Annual Governance Statement Assertion 5	a) 21/04/2021 Item 11 b) Website

	(Objective L)			
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) Handyman does monthly inspection and inspection sheet sent to Assistant Clerk who actions. Inspection sheet seen b) Reported to Amenities Committee – 08/09/2021. Committee Minutes received by Full Council 15/09/2021 Item 7
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) & c) Reported to Finance Committee 02/03/2022 but not reported to Full Council as a separate item although minuted in Committee minutes b) Internal Control documentation dated 12/2021 seen
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	Monthly sheet including bank reconciliation is sent to all councillors and on website
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	Yes	Annual Governance Statement Assertion 1	05/05/2021 Item 10 b)
3.8	If bank cards in use, are proper	Yes		Debit card procedures agreed 8/12/2021 Item 14

	procedures in place? (Objective B)		Annual Governance Statement Assertion 1	
3.9	Are a) physical records secure? b) electronic records backed up?	Yes	Annual Governance Statement Assertion 5	a) Locked filing cabinet for deeds etc at Clerk's home and other past items held in locked room at Village Hall b) 2 backups – Cloud and Hard Drive

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	a) b) & c) 09/12/2020 Full Council Item 10 a)
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? (Objective D)	Yes	Annual Governance Statement Assertion 1	a) Budget viewed b) Reserves are 56% of expenditure

4.3	Was the precept demand for the year under review properly minuted in full council?	Yes		09/12/2020 Item 10 b)
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	Annual Governance Statement Assertion 1	a) and b) 21/07/2022 item 11d) and 21/07/2021 Item 11d)
4.5	Are any significant variances from budget reported?	Yes	Annual Governance Statement Assertion 2	Shown in budget vs spend and discussed at quarterly Finance committee meetings

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	Viewed for 2020/2021 audit
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Annual Governance Statement Assertion 1	Payslips seen
5.3	Has Council	Yes		a) and b) Done by third party and payslips

	<p>a) registered as an employer with HMRC? b) have PAYE / NIC been properly dealt with (including year-end procedures)? (Objective G)</p>			seen
5.4	<p>Are Councillor's allowances and expenses properly authorised & controlled, if any?</p>	Yes	Annual Governance Statement Assertion 1	Only payments are Chairman's Allowance and Councillors mileage for meetings attended on behalf of Council. All reported in Finance report sent to all Councillors
5.5	<p>Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?</p>	Yes	Annual Governance Statement Assertion 3	16/10/16 Item 11 for Clerk Pension viewed on Payslip
5.6	<p>Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with Pension Regulator been reviewed (required every 3 years)</p>	Yes	Annual Governance Statement Assertion 3	a) and b) Reviewed 01/06/2020 Letter viewed

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	21/04/2021 Item 12c)
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) (Objective K)	N/A	Turnover more than £25000 Annual Governance Statement Assertion 1	
6.4	Annual Governance Statement, section 1 of Annual Return,	Yes		21/04/2021 Item 12 a)

	approved by whole council (with separate minute number from Section 2 below)?		Annual Governance Statement Assertion 3	
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	21/04/2021 Item 12 b)
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Yes	Annual Governance Statement Assertion 3	Website
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	Annual Governance Statement Assertion 4	23/06/2021 Item 12
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	17/03/2021 Item13
6.9	Previous external audit report (for councils with	Yes		15/09/2021 Item 12a) No Action required

turnover over £25,000) reviewed by council and action taken where recommended?		Annual Governance Statement Assertion 7	
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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?	Yes	Annual Governance Statement Assertion 9	Mopla Cottages
7.3	Do trustees meet at least once a year and publish separate accounts? (Objective O)	Yes	Annual Governance Statement Assertion 9	Minutes and Accounts viewed
7.4	Website Accessibility Statement on website home page?	Yes	Annual Governance Statement Assertion 3	Website
7.5	Did council formally	Yes	Recommend that Council confirms that the Internal	08/12/2021 Item 13

	appoint GAPTC as the Internal Auditor?		Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 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	Annual Governance Statement Assertion 3	No burial grounds

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)? (Objective L) c) initialled on each page and final page signed?	Yes	Annual Governance Statement Assertion 3	a) 16/03/2022 & 05/05/2021 b) Minutes from 16/03/2022 on website on 23/03/2022 c) 16/02/2022 and 19/01/2022 seen

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) and b) Website
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	21/07/2021 and 19/01/2022 viewed
8.4	Summons issued in proper format?	Yes	Annual Governance Statement Assertion 3	21/07/2021 and 19/01/2022 viewed