

**BROMSBERROW PARISH COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2020**  
**Date of Internal Audit: 19<sup>th</sup> May 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.**

**NOTE FROM INTERNAL AUDITOR May 2020**

This Parish Council had no permanent Clerk during the 2019/2020 financial year and a councillor acted as RFO. Also, the council was inquorate until July after the May 2019 election. The newly appointed Clerk is making great inroads into ensuring that the Council complies with all legislation, although generally the council has tried to comply during this difficult period.

**1. Working documents**

<b>Ref</b>	<b>Test</b>	<b>Meets reqmts? Yes, No or N/A</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Evidence</b>
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes	However, the Standing Orders are dated 2013. The Council should update to the model Standing Orders dated July 2018	Website
1.2	Have Standing	No	Standing Orders should be updated to the most	

	Orders been reviewed and minuted?		recent version and the review minuted.	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes	The Financial Regulations are dated 2014. The Council should update to the model Financial Regulations dated 2019	Copy of Financial Regulations seen
1.4	Have Financial regulations been reviewed and minuted?	Yes but	The Financial Regulations are dated 2014. The Council should update to the model Financial Regulations dated 2019	28/01/2020 55.6
1.5	Does the council have a grant awarding policy?	No	Recommend council adopt a grant-awarding policy	
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?	No	Recommend council should review and minute the action.	

## 2. Admin

Ref	Test	Meets reqmts?	Internal Auditor's comments/recommendations	Evidence
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		Yes, No or N/A		
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	N/A		
2.2	Is there a separate account for s.137 payments and within statutory limits?	No	Cashbook should contain a column for S137 payments	Cashbook
2.3	Council authorisation of Direct Debit list and Standing Orders?	No	List of Direct Debit and Standing Orders should be authorised on an annual basis.	Standing Order to Southern Electric agreed in 2010
2.4	Was Petty Cash expenditure approved, if any?	N/A	No petty cash	
2.5	Receipts issued for cash income?	N/A	No cash income in 2019/2020	
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		Invoices seen
2.7	VAT - recorded and paid / reclaimed properly?	Yes		VAT List seen
2.8	Purpose of loan and power identified, if applicable?	N/A		

### 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		Copy of policy seen
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	No	The Parish Council is on a five-year contract but should still review the cover annually in case of changes including additional assets.	
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes		Policies seen
3.4	Evidence that internal controls take place and are documented	No	No evidence of Internal audits and recommend that they should be done on a regular basis as set out in Financial Regulations.	
3.5	Asset register seen and reviewed regularly?	Yes	To be reviewed at the next meeting	Asset Register seen
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	No	All assets on the Asset Register should be inspected at least annually and reported to the Parish Council and minuted.	

3.7	Review of investments, including bank accounts?	No	Bank accounts should be reviewed from time to time and the review minuted.	
3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes	Two signatures should also be placed on the invoice	Cheque stubs seen
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.10	Electronic and physical records backed up?	Yes		On memory stick

#### 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)?	N/A		
4.2	Minutes published on website in draft form within one	Yes		Draft minutes of 28/01/2020 are on website

	month (mandatory for councils with a turnover of less than £25,000)?			
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes	Need to add payments over £100 in the format outlined in the code	

## 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		26/11/19 40.2 Budget
5.2	Were the objectives of the reserves identified?	Yes	General reserves but no earmarked reserves	Budget
5.3	Was the precept demand properly minuted in full council?	Yes		26/11/19 40.2
5.4	Did council regularly review	Yes		30/07/2019 12.1 26/11/2019 40.1

	bank reconciliations and reconcile them with the cash book?			
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		Cash book 20/01/2020 55.7
5.6	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		New Clerk's Contract seen
6.2	Do salaries paid agree with those approved by Council?	Yes		Paid according to National Agreement

6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	N/A	No clerk employed in 2019/2020, except a locum on self-employed basis. New clerk will be registered with HMRC	
6.4	Minimum wage paid?	Yes		Paid according to National Agreement
6.5	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A		
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Yes	New Clerk not eligible. This will be minuted at the next full council meeting.	Minutes of Staff Appointment Committee seen
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	No	No evidence found. New Clerk will investigate	



## 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		
7.2	Council as a whole to consider the year-end accounts?	Yes		24/04/2019 6.1
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		24/04/2019 6.3
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		24/04/2019 6.4
7.5	Are all sections of the Annual Governance & Accountability Return published on	Yes		Website

	the website?			
7.6	Previous internal audit report reviewed by council and action taken where recommended?	No	Internal auditor reported to the RFO but the report needs to be presented to council and any actions minuted.	
7.7	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	Mentioned in minutes 24/09/2019 and will be approved at next meeting	Policies seen
8.2	Is the Council a Managing Trustee?	No		

8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Did council formally appoint GAPTC as the Internal Auditor?	Yes		28//01/2020 55.8

## 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		24/09/2019 22.1 26/11/2019 37.1
9.2	Minutes initialled on each page and final page signed?	Yes		26/11/2019 minutes seen
9.3	List of members' interests held and published on the website?	No	The list of members interest held should either be on the website or a link to the FODDC website to comply with legislation	
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		28/01/2020 agenda seen

9.6	Summons issued in proper format?	Yes		28/01/2020 agenda seen
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## 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?	N/A	No income in 2019/2020	
10.2	Audit trail for selected sample transactions?	Yes	Invoices should be initialled by the two councillors who sign the cheques. Relevant power to spend should be stated	See transaction sheet
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A		