

BROOKTHORPE WITH WHADDON PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2021
Name of Auditor: Vanessa Lawrence

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 Yes/No	The wording could be improved to show formal approval.	Clerk e-mailed copy of the Standing Orders Website still shows 2018 Standing Orders. Meeting June 2020 – Minute 20 065
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes Yes	Recommend that website is updated and Minutes are clearer to show that Council has considered any changes and formally approved.	June meeting Minute 20 065 Standing Orders on website 2018 version

1.3	Have Financial Regulations been a) tailored to council? b) formally adopted?	No Yes/No	Website shows draft from 2018 Agreement, but no formal approval. Recommend wording is improved	Copy of Financial Regs emailed to IA, dated June 2020. However still shows NALC logo and it may be that this has not been completely tailored for the Council. Meeting June 2020 – Minute 20 066
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes Yes	Recommend that website updated and Minutes are clearer to show that Council has considered any changes and formally approved.	June meeting Minute 20/066
1.5	Does the council a) give grants? b) have a grant-awarding policy?	Yes Yes	Recommend that the policy is reviewed and website updated accordingly	Grants Terms of Reference on the website. These have not been updated since 2010
1.6	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A		
1.7	Code of conduct reviewed in the last 2/3 years?	No	Would recommend this is reviewed and updated.	Clerk confirms that this has not been reviewed.

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		Minutes indicate that GPC is no longer valid as the Council no longer fulfills the required criteria. Meeting February 2020
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	Yes Yes		Cashbook emailed – column for S137 evidenced.
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	No	Recommend formal acknowledgement that these are authorised annually.	Clerk confirms only one DD and one SO and that these have not been reviewed.
2.4	Was Petty Cash expenditure approved, if any?	N/A		
2.5	Is all expenditure supported by VAT invoices, if applicable?	Yes		Cashbook indicates that this is the case. Evidenced virtually on zoom checking various invoices where VAT is applicable
2.6	VAT – a) recorded in accounts b) reclaimed?	Yes Yes		Official claim not viewed Not many invoices - claim made for two invoices. VAT recouped and another claim for

				the latter part of the year waiting to be sent.
2.7	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		Payment showing in cashbook. Policy document was emailed to IA
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	No	Recommend that insurance is reviewed to ensure that it still satisfies the Councils requirements and that this is minuted. This should be done annually.	Clerk reports that this is left to her to manage and any changes in assets are sent to the insurance company. Council only considers the insurance following any changes to assets. The Clerk advises that the Council are in a 3-year contract with the insurers.
3.3	Copy of Risk Management policy seen?	Yes		Document emailed dated 2020-21
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	Yes		Clerks confirms that this is normally done quarterly and recorded. However, last year this was done Oct 2020 Minutes 20 107(b). December 2020 budget reviewed but no evidence that other internal controls were considered
3.5	Does the council carry out an annual review of the	Yes		The Clerk reports that Councillors carry out an internal audit of the Council's arrangements on a regular basis throughout the year. These

	effectiveness of their overall internal audit arrangements?			are then reported in the Minutes as seen.
3.6	Asset register seen and reviewed regularly?	No	Recommend that the register is reviewed at least annually	Asset Register emailed to IA. Website has inaccurate information showing. Clerk is left to manage this and only reports when there are changes.
3.7	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?	No No Yes	Recommend that inspections, actions required and undertaken appear on the agenda are formally minuted. This would be invaluable in the event of an insurance claim against the council	The Clerk reports as above. No evidence that there are any regular checks No evidence Clerk reports that anything requiring attention is dealt with.
3.8	Review of a) investments? b) bank mandates?	N/A No	Recommend that bank mandates (signatories) should be reviewed following the elections in Stroud District.	
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.10	Are a) physical records secure? b) electronic records backed up?	Yes Yes		Clerks confirms that records stored in a locked cupboard. Backup to cloud.

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	Would recommend that the website is upgraded as it shows a lot of inaccurate information and is not Website Accessibility compliant	Checked with Clerk who advises draft Minutes are published as soon as possible after the meeting.
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	No	Transparency code <ul style="list-style-type: none"> • All items of expenditure above £100 • End of year accounts • Annual governance statement • Internal audit report • List of a councillor or member responsibilities • The details of public land and building assets (if any) • Minutes, agendas and meeting papers of formal meetings 	Website shows very little up-to-date information and does not comply with the Transparency 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 for the year		Wording needs to be improved. Not clear enough in showing that the budget was properly considered,	Meeting December 2019 Minute 19 138 (b)

	under review a) prepared? b) adopted? c) minuted?	Yes Yes Yes	changes made if necessary, properly proposed and approved with clearly written minute	
5.2	Reserves: a) Is there a reserve policy b) Were the objectives of the reserves identified?	No N/A	Recommend that a policy is prepared and will be sending the Clerk a copy of Reserves Policy which can be tailored to council	Clerk confirms no policy in place
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		Meeting December 2019 Minute 19 138 (b)
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		Budget reviewed at 6 months.
5.5	Are any significant unexplained variances from budget reported?	Yes	Spreadsheet compares spend against budget reviewed quarterly.	Minuted

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	The Clerk reports that contracts are in place	Yes. As seen
6.2	Do salaries paid agree with those approved by Council?	Yes		Minuted at their monthly meetings as evidenced. Cheques for payment agreed for signature.
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		Paid through PATA. On the cashbook/accounts sheet.
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A		
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome	Yes No	Recommend that outcome is minuted in future	Discussion with Clerk. She opted out and letter viewed

	minuted?			
6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Unknown	Recommend that council checks that they have registered with the Pension Regulator and note review date	

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	Does council as a whole consider the year-end accounts?	Yes		Agreed June 2020 (for 2019/20) Agreed May 2021 (for 2020/21)
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a	Yes		Not exempt for 2019/20 Will be exempt for 2020/21 and there should be an agenda item/minute confirming that council is eligible

	turnover of less than £25,000)			
7.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		Meeting June 2020 – Minute 20 062(c)
7.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		Meeting June 2020 – Minutes 20 062(d)
7.6	Are all sections of the Annual Governance & Accountability Return published on the website?	Partly	Not all sections of the AGAR are on the website	Annual Governance Statement and Accounting Statement on website.
7.7	Did council correctly provide for the exercise of public rights?	Yes	Recommend that the dates for the period of exercise of public rights in 2021 are also reported to council and minuted.	Website
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	No actions required according to previous Internal Audit	Meeting June 2020 Minute 20 062 (b)
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed	No	Recommend that report from External Auditor (if applicable) is formally considered by council, minuted accordingly with actions to be taken on any recommendations	External Auditor report

	by council and action taken where recommended?			
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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?	Partly	Recommend that formal GDPR policies are adopted (templates available on the GAPTC website in documents section under D) covering staff and councillors	GDPR Risk Assessment sheet seen – June 2020, but not on website
8.2	Is the Council a Managing Trustee?	N/A		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Website Accessibility Statement on website home page?	No	Not compliant – although this is being considered, but as yet not actioned.	Minute – June meeting.
8.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes		March 2021 Meeting Minute 21 019

8.6	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A		
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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 reflect DPIs as an Agenda Item
9.2	Minutes initialled on each page and final page signed?	No but	Recommend that all Minutes are duly initialled and signed now that councils have returned to face-to-face meetings	Not done due to pandemic
9.3	List of members' interests held and published on the website?	No	Recommend that list of members' interests are posted on the website to comply with the Localism Act	Nothing on the website
9.4	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Clerk confirms that agendas are posted on their noticeboard. Issues with website means that whilst generally these are posted in time, the Clerk can't always be sure that it is happening.

9.5	Summons issued in	No	Wording should be 'Councillors are summoned.....	The wording is incorrect – “required to attend”.
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Notes:

Zoom meeting held to enable IA to check invoices, bank statements and other documents. The IA pointed out that the website is very poor with a lot of information being left on which is now out of date and some missing. It is clear that the website is not WCAG compliant. The Clerk reported that there are some major issues with the website provider who runs the site and has confirmed that it cannot be made compliant. I would advise that this site needs to be replaced with a more up-to-date site that can be accessed by the Clerk so that it can be easily updated with information required by law.

The Clerk also confirmed that last year's auditor only concentrated on ensuring that the figures were correct and did not consider any of the other requirements for the internal audit.