

**ALVINGTON PARISH COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2020**  
**Date of Internal Audit: 27 April 2020**  
**Name of Auditor: Anita Sach**

**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**

<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>	<b>Parish Clerk comment</b>
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes but	Model Standing Orders appear to have been adopted in full. Recommend that the non-mandatory sections could be reviewed to make it a shorter working document	Website Governance section	I will work on this over the summer and will present to Council at the September meeting for adoption if found to be satisfactory,
1.2	Have Standing Orders been reviewed and minuted?	Yes		Minute 058 June 2019 meeting and Website Governance section	
1.3	Have Financial Regulations been tailored to council	Yes	Financial Regulations were updated again in summer 2019 and recommend this new version adopted	Minute 058 June 2019 meeting and Website Governance section	I will work on this over the next month and will present to Council at the July meeting

	and formally adopted?		in due course.		for adoption if found to be satisfactory.
1.4	Have Financial regulations been reviewed and minuted?	Yes	See 1.3	Minute 058 June 2019 meeting and Website Governance section	As above.
1.5	Does the council have a grant awarding policy?	N/A		No grants awarded	
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		Minute 06.18/19 July 2018 meeting and Website Governance section	

## 2. Admin

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
2.1	Has the General Power of	N/A			

	Competence been adopted (e.g. a minute reference)?			
2.2	Is there a separate account for s.137 payments and within statutory limits?	No		Council does not award grants
2.3	Council authorisation of Direct Debit list and Standing Orders?	N/A		
2.4	Was Petty Cash expenditure approved, if any?	N/A		
2.5	Receipts issued for cash income?	N/A		Only cash income received from events held by the council
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		Invoices on Dropbox
2.7	VAT - recorded and paid / reclaimed properly?	Yes		VAT Return October 2019 £4885.24 viewed in cashbook on Dropbox.
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	Parish Clerk comment
3.1	Insurance policy in place?	Yes		RSA 3/7/19-2/7/20. Policy viewed on Dropbox	
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		Minute ref: 076.19/20 July 2019 meeting	
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes	Recommend this is reviewed annually as it is an important document for council. Not all assets, eg sports/play equipment, are included in the Assets section of the Risk Management Schedule.	Minute ref: 077 18/19 September 2018 meeting and Website Governance section	I will work on this over the summer and will present to Council at the September meeting for re-adoption if found to be satisfactory,
3.4	Evidence that internal controls take place and are documented	No	Recommend quarterly checks to be carried out by councillors		I have drafted a checklist based on GAPTC best practice to be introduced at end of Q1 and completed in conjunction with quarterly bank reconciliation.
3.5	Asset register seen and reviewed regularly?	Yes	Recommend that register turned into tabular form so that you can add up the total of the assets. Neither car park or churchyard should appear on asset register as not actually owned by council. Value of play equipment should be purchase price not	Minute ref: 076.19/20 July 2019 meeting	I will work on this over the next month.

			replacement value.		
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	No	Council owns land, play and sports equipment and it is vital that inspections are made regularly, ideally monthly, a report compiled, presented to council and minuted. Recommend this is undertaken as a matter of urgency.		<p>I will discuss options to take this forward at the June 2020 meeting. I suggest:</p> <ul style="list-style-type: none"> <li>• Rota for all councillors to take turns at monthly asset check</li> <li>• Councillor reports back at the next meeting and actions agreed and minuted.</li> <li>• At the same meeting, the next councillor on the rota will be noted, in order to prompt that councillor to schedule the inspection.</li> </ul>
3.7	Review of investments, including bank accounts?	No	Recommend that this takes place every 3 years		I will look into the best method for reviewing bank accounts, presumably considering whether the current services match the council's needs.
3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes		Cheque stubs viewed on WhatsApp 4/5/20 as part of transaction check	
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A			
3.10	Electronic and physical records	Yes		Weekly backup to memory drive	

backed up?

#### 4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
4.1	Details of public land and building assets on website (if applicable)?	Yes		Finance section – dated July 2019	
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Yes but	Many of the minutes on the website are still showing as being Draft. Recommend that minutes show they are no longer draft immediately after they are approved at the meeting. Please note that the September 2019 minutes are not up on the website.	Website meetings section	I will ensure that all recent and future minutes are showing as the final version.  I have now rectified the issue of the Sept 2019 minutes being unavailable.
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	N/A for 19/20 but	Recommend that council complies fully with the code in 20/21 in case turnover falls below £25,000.		Noted. No plan to diverge from this compliance. (For details on what this entails see <a href="https://www.nalc.gov.uk/our-work/transparency">https://www.nalc.gov.uk/our-work/transparency</a> )

## 5. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
5.1	Was a budget properly prepared, adopted and minuted?	Yes		Minute ref: 121.18/19 December 2018 meeting	I will liaise with Cllr Heys to ensure that in addition to the separate project cost centres all earmarked funds are noted and recorded to avoid 'losing' those reserves.
5.2	Were the objectives of the reserves identified?	No	As part of the budget preparation process, any reserves should be divided into general reserves and earmarked reserves. Replacement value, which appears on asset register, should form part of your earmarked reserves.		
5.3	Was the precept demand properly minuted in full council?	Yes		Minute ref: 121.18/19 December 2018 meeting	
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes		Alvington finances on Dropbox Minute ref: 039.19/20 and Minute 1377.19/20 quarterly bank reconciliation	
5.5	Did the council regularly compare the actual income	No	Recommend that this information is provided to council.		

	and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes?				
5.6	Are any significant unexplained variances from budget reported?	No	Recommend that this is included when comparing budget vs spend as above		Noted.

## 6. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
6.1	Do all staff have a contract of employment?	Yes		Contract of Employment on Dropbox	
6.2	Do salaries paid agree with those approved by Council?	Yes		4 September 2019 agenda for August salary	
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end	Yes		PAYE dealt with by PATA. Invoices from PATA viewed on Dropbox	



	procedures)?				
6.4	Minimum wage paid?	Yes		NJC salary point in Contract of Employment on Dropbox	I will offer myself a pension in writing to cover this.
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?	No	To comply with Auto-Enrolment legislation Council must offer clerk a pension in writing, in case a pension is required, even if no contribution is made by Council. The action and outcome must be minuted.		
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	No	To comply with legislation, council must register with Pension Regulator, even if no employees are enrolled in a pension scheme		
					Council is registered with Pensions Regulator and recently submitted a review return to the PR regarding pensions offer, but I did not report to council as nothing had changed and no pension is in place. I was offered a pension when I started in the role.

## 7. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
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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?	No	Recommend a clear summary of receipts and payments given to council after 31 March		Noted. To be provided before July 2020 meeting.
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes but	AGAR approved as a whole. Section 1 must have its own agenda item and minute number for approval	Minute ref: 039.19/20 May 2019 meeting and 056. 19/20 June 2019 meeting	Noted.
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes but	Section 2 must have its own agenda item and minute number for approval. Council did not correctly declare itself exempt after approving Annual Statement of Accounts. Recommend follow guidance on AGAR form as well as the Step-by-step guidance produced by GAPTC should income/expenditure be under £25,000 in the future.	Minute ref: 039. 19/20 May 2019 meeting and 056. 19/20 June 2019 meeting	Noted.
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes but	Annual Internal Audit Report section not complete	Website – Finance section	Noted – this was due to hard copy not being uploaded correctly. Section had been completed and the scanned form sent to audit authority.
7.6	Previous internal	Yes	No actions identified in internal audit	Minute ref: 056 19/20 June	

	audit report reviewed by council and action taken where recommended?			2019 meeting Letter from internal auditor viewed on Dropbox	
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	Parish Clerk comment
8.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public?	Yes	Adopted June 2019	Website Governance section and registration with ICO viewed on Dropbox	
8.2	Is the Council a Managing Trustee?	No			
8.3	Do trustees meet at	N/A			

	least once a year and publish separate accounts?				
8.4	Did council formally appoint GAPTIC as the Internal Auditor?	Yes		Minute ref: 012.20/21 April 2020 meeting	

## 9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence	Parish Clerk comment
9.1	Minutes – DPIs or other interests recorded?	Yes		Website Meetings section. Agenda item at every meeting	
9.2	Minutes initialled on each page and final page signed?	Yes but	Recommend that individual pages initialled, not just final page signed.	June and November 2019 minutes viewed on WhatsApp 4.5.20	Noted and will take forward.
9.3	List of members' interests held and published on the website?	No	Registers of Interest must be put up on the website, or linked through to the District Council in order to comply with legislation (Localism Act)		Noted; now done.
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Agendas on Website Meetings section	
9.6	Summons issued in proper format?	Yes		Agendas on Website Meetings section	

## 10. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence	Parish Clerk comment
10.1	Is income properly recorded and promptly banked and receipts issued for cash income?	Yes		Bank statements on Dropbox	Noted and will take forward.
10.2	Audit trail for selected sample transactions?	Yes	Cheque received each month for field hire. Payments made on trust by hirers, depending on whether they were able to use field if weather was good. Recommend that invoice is raised against payment so that there is an audit trail and for the records of the hirers.	Transaction checklist	
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A			