



...Alvington . PARISH COUNCIL

Internal auditor's report for the year ended 31 March 2023

Name of Auditor: Charlotte Matthews

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? b) reviewed using	Yes Yes	Recommend that this be completed annually at the May meeting, so it isn't missed	Policy was not adopted in 2023 Checked policy on website and can see it is the lasts policy

	the most recent version? c) minuted?	Yes	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 Yes	Recommend that this be completed annually at the May meeting, so it isn't missed Annual Governance Statement Assertion 1	Policy was not adopted in 2023 but have reviewed policy on the website and can see it was the up-to-date policy at the time.
1.3	Does the council a) give grants? b) have a grant-awarding policy?	No No	Recommend that council consider a policy for awarding grants	Council has no grant award policy
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Annual Governance Statement Assertion 2 & 3	Evidence viewed
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	Annual Governance Statement Assertion 3	council agreed to adopt policy previous financial year

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	Council meets the qualifying criteria Minute reference 23/24 April 2024 Item 152.
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)	N/A	Annual Governance Statement Assertion 1 & 3	Council has the General power of competence
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	No	Annual Governance Statement Assertion 1	Council does not have a card issued
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	Annual Governance Statement Assertion 1	No petty cash held
2.5	Is all expenditure supported by VAT invoices, if	Yes		Invoices viewed

	applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes Yes	Recommend that this is simplified and easier to understand to an income and expenditure sheet with sheets that show VAT for claims and have separate columns for budget headers instead of cost centres Annual Governance Statement Assertion 1	Council cash book spreadsheets are very complicated and show every year accounts since 2017 Cashbook shows there is a provision for refreshments at the meetings.

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 No No	Recommend that this be added to the agenda and reviewed annually Annual Governance Statement Assertion 5	Council have agreed the insurance premium in October 2023 minuted 081.23/24 But have not minuted that the insurance policy was reviewed and fit for purpose
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Yes No	Recommend that this be added to the meeting agenda for May annually for the council to discuss and adopt Annual Governance Statement Assertion 5	Document on council website shows last updated and adopted 12.5.22 Minuted Not minuted in May 2023 for adoption
3.3	Asset register a) reviewed			

	regularly? (Objective H) b) published on website? (Objective L)	Yes	Recommend that this be added to the agenda for update and reconsideration Annual Governance Statement Assertion 5	Register on website shows last reviewed 01/05/2022
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	Yes Yes Yes	Recommend that councillors undertake training if not completed already to ensure they are doing appropriate checks Annual Governance Statement Assertion 5	Evidence viewed in minutes and agendas ROSPA quote considered March 2024 Councillors are undertaking inspections of play equipment
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 Yes Yes	Recommend that this be kept with the RFO as per RFOs responsibility to keep the council financial records and accounts as per LGA 1972 s151. It is the officers legal duty to hold the records and prepare the accounting paperwork and administration of the council affairs Annual Governance Statement Assertion 2	Controls are conducted and minuted monthly. A councillor holds the financial controls file.
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Recommend that this be added as an agenda item. Recommend that councillors are not paid as this contravenes the LGA 1972 Annual Governance Statement Assertion 1	Bank reconciliations on are on the agendas every month Council accounts show virements are being made between council accounts without agreement of full council Cllrs are being paid by the council for repairs to play areas etc

3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	N/A No	Annual Governance Statement Assertion 1	Council has no investments Council has not reviewed bank signatories in the financial year
3.8	If bank cards in use, are proper procedures in place? (Objective B)	No	Annual Governance Statement Assertion 1	No cards are issued
3.9	Are a) physical records secure? b) electronic records backed up?	Yes	Annual Governance Statement Assertion 5	Physical documents in a filing cabinet and electronic documents on the PC laptop which is password protected

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	Recommend that this is simplified Annual Governance Statement Assertion 1	Overly complicated budget sheets are utilised with cost codes instead of budget headers Cannot find any minutes to correlate budget was considered by full council
4.2	a) Were the earmarked	Yes		General reserves are within the expected limits

	objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? (Objective D)	Yes	Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	Yes	Recommend that this be separated from the budget item. This should be given its own agenda item	Precept request is minuted with the budget agreement made by full council
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 Yes	Annual Governance Statement Assertion 1	As part of the financial controls this is considered
4.5	Are any significant variances from budget reported?	Yes	Annual Governance Statement Assertion 2	As part of the financial controls this is considered

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
5.1	Do all staff have a		Recommend that this be reviewed – working from	Contract viewed

	contract of employment?	Yes	home allowance has changed to £26 per month Recommend – that the clerk be given a mobile phone for point of contact instead of using her personal landline as per contract so that the councils have a separate line of correspondence and does not compromise the clerks personal numbers. Also, recent changes to employment law may require updates on the clerks contract. Annual Governance Statement Assertion 3	
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Annual Governance Statement Assertion 1	Viewed payslips, p60 and cashbook with bank statements payroll outsourced to a contractor
5.3	Has Council a) registered as an employer with HMRC? b) have PAYE / NIC been properly dealt with (including year-end procedures)? (Objective G)	Yes Yes		Viewed payslips, p60 and cashbook with bank statements payroll outsourced to a contractor
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	No	Recommend that as Several payments appear on payment lists where there is no formal approval for payment so no control over expenditure and no audit trail. These are mainly linked with the council's events, i.e., the summer fun day. These are important community events with fundraising for the pavilion, with a working as per last year	Councillors are claiming expenses for work on council assets. However, large amounts paid for community events without formal budget, this recommendation has not been implemented

			Annual Governance Statement Assertion 1	
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	No No	Annual Governance Statement Assertion 3	Clerk does not earn enough for pension payments
5.6	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)	Yes Yes	Annual Governance Statement Assertion 3	Letter of re-declaration viewed dated December 2022 from previous audit conducted

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			Council is using an income and expenditure

	properly on separate balance sheet if using Income & Expenditure reporting? (Objective J)		Annual Governance Statement Assertion 1	sheet evidence has been viewed
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	Evidence has been viewed https://alvingtonvillage.org/wp-content/uploads/2023/05/DRAFT-Alvington-Parish-Full-Council-Minutes-11.05.23.pdf item 024 23/24 item 11b)i)
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)	Yes	Annual Governance Statement Assertion 1	Evidence viewed https://alvingtonvillage.org/wp-content/uploads/2023/06/DRAFT-Alvington-Parish-Full-Council-Minutes-01.06.23.pdf item 035 23/24 9.
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council (with separate minute number from Section 2 below)?	Yes	Annual Governance Statement Assertion 3	Evidence viewed https://alvingtonvillage.org/wp-content/uploads/2023/06/DRAFT-Alvington-Parish-Full-Council-Minutes-01.06.23.pdf item 033 23/24 7
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole	Yes		Evidence viewed https://alvingtonvillage.org/wp-content/uploads/2023/06/DRAFT-Alvington-

	council (with separate minute number from Section 1 above)?		Annual Governance Statement Assertion 3	Parish-Full-Council-Minutes-01.06.23.pdf item 034 23/24 8
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Yes	Annual Governance Statement Assertion 3	Evidence viewed https://alvingtonvillage.org/accounts/
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	Recommend that the dates for the period of exercise of public rights in 2021 are also reported to council and minuted. Annual Governance Statement Assertion 4	Evidence viewer https://alvingtonvillage.org/accounts/
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes But...	Annual Governance Statement Assertion 7	Some of the recommendations have not been followed
6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N/A	Annual Governance Statement Assertion 7	Council does not meet this threshold

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	Policies are shown on the council website
7.2	Is the Council a Managing Trustee?	No	Recommend that as Council does not own the building it should not hold the building on the asset register but the council do own the land so this asset can be listed. Recommend that the clerk engages with GRCC to confirm the status of the trust. Annual Governance Statement Assertion 9	The council looks to be a custodial trustee of the village hall. But they do own the land on which the hall sits The council holds this asset on the asset register
7.3	Do trustees meet at least once a year and publish separate accounts? (Objective O)	N/A	Annual Governance Statement Assertion 9	
7.4	Website Accessibility Statement on website home page?	Yes	Annual Governance Statement Assertion 3	Policy viewed https://alvingtonvillage.org/accessibility-statement/
7.5	Did council formally appoint GAPTC as	Yes	Recommend that Council confirms that the Internal Auditor is competent and independent of Council	Minuted April 2024 152 23/24

	the Internal Auditor?		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	Council is not a burial authority

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 Yes Yes	Annual Governance Statement Assertion 3	Evidence viewed on the council website
8.2	List of members'			

	a) responsibilities (Objective L) and b) interests held and published on the website?	Yes Yes	Annual Governance Statement Assertion 3	Registration of Councillors Interests forms Found on the council homepage Evidence viewed https://alvingtonvillage.org/
8.3	Agendas signed and displayed on website/noticeboard s 3 clear days' prior to meeting? (Objective L)	Yes	Recommend that the agendas be revised to meet standing orders regulations Annual Governance Statement Assertion 3	May 2023 meeting no chairman elected. This should be the first item on the agenda in May meeting. Public forum is not for action at the meeting – this is for public to ask questions only but not for debate or action. Public forum notice is not shown as per the standing orders with the appropriate notice
8.4	Summons issued in proper format?	Yes	Annual Governance Statement Assertion 3	Summons are viewed and are in the correct format