LITTLEDEAN PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2020
Date of Internal Audit: 13th March 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.

1. Working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes	Recommend adoption or review date added to document	Website
1.2	Have Standing Orders been reviewed and minuted?	Yes		13/05/19 Minute 6
1.3	Have Financial Regulations been tailored to council	Yes		Website Adopted 13/01/2020

	and formally adopted?			
1.4	Have Financial regulations been reviewed and minuted?	Yes		13/01/2020 Minute 9.4
1.5	Does the council have a grant awarding policy?	Yes		Adopted 09/03/2020
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Yes		11/11/2019 Minute 11.1
1.7	Code of conduct reviewed?	Yes		13/05/19 Minute 5

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	No		

	adopted (e.g. a minute reference)?			
2.2	Is there a separate account for s.137 payments and within statutory limits?	Yes		Accounts on Clerk's computer
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes		On monthly payment sheet All DD and SO for year agreed at March 2020 meeting
2.4	Was Petty Cash expenditure approved, if any?	N/A		
2.5	Receipts issued for cash income?	N/A	Only cash income was for a raffle, which was banked promptly	
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		Clerk's Account File
2.7	VAT - recorded and paid / reclaimed properly?	Yes		Clerk's Account File
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		Clerk's File
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		3-year agreed – 8/10/2018 Minute 9.4 Reviewed 13/05/19 AM Minute 13
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes		Website
3.4	Evidence that internal controls take place and are documented	Yes		Clerk's Account File
3.5	Asset register seen and reviewed regularly?	Y		13/05/2019 AM Minute 12
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	Yes but	Councillors inspect playground and Skate park weekly and inspected professionally quarterly and annually but not minuted. Recommend that a report of assets inspected is compiled and reported to council.	
3.7	Review of investments, including bank accounts?	No	Recommend that a review takes place	

3.8	Is ‘two councillor signatures’ rule applied for payment orders?	Yes		
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		Backup to Calsonite

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)?	Yes		Asset Register on website
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Yes		10/02/2020 minutes on website on 11/03/2020

4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	N/A		

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		13/01/2020 Minute 9.3
5.2	Were the objectives of the reserves identified?	Yes		Website
5.3	Was the precept demand properly minuted in full council?	Yes		13/01/2020 Minute 9.3
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes	Recommend Councillor & Clerk should initial Bank Statement and Bank reconciliation.	Attached to minutes in Clerks File
5.5	Did the council regularly compare	Yes		Website and included in items given to councillors monthly

	the actual income 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?	Yes		Website and included in items given to councillors monthly

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		Clerk's manual
6.2	Do salaries paid agree with those approved by Council?	Yes		
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with	Yes		HMRC Basic Pay Role Tools used

	(including year-end procedures)?			
6.4	Minimum wage paid?	Yes		Clerk – SLCC/NALC Others minimum wage specified
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		Recorded in Clerk's Manual
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		5/11/2018 – in Clerk's Manual

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	N/A		

	sheet if using Income & Expenditure reporting?			
7.2	Council as a whole to consider the year-end accounts?	Yes	This should be noted in minutes	
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		13/05/2019 Minute 9.3
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		13/05/2019 Minute 9.4
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Yes		13/05/2019 Minute 9.5
7.7	Previous external audit report (for councils with	Yes		14/10/19 Minute 9.3

	turnover over £25,000) reviewed by council and action taken where recommended?			

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		Website
8.2	Is the Council a Managing Trustee?	Yes		
8.3	Do trustees meet at least once a year and publish separate accounts?	Yes		09/09/2019 Website No separate accounts as no money involved, the charity being set up only for the donation of the Recreation Ground
8.4	Did council formally appoint GAPTC as the Internal Auditor?	Yes		14/10/19 Minute 9.6

9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Minutes – DPIs or other interests recorded?	Yes		11/11/2019 Minute 2 13/01/2020 Minute 2
9.2	Minutes initialled on each page and final page signed?	Yes		Minutes File
9.3	List of members' interests held and published on the website?	Yes		Website
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Clerk's File
9.6	Summons issued in proper format?	Yes		Clerk's File

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?	Yes		Accounts File
10.2	Audit trail for selected sample transactions?	Yes		
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	Yes		Clerk's Book plus website