LITTLEDEAN PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2021
Name of Auditor: Margaret 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; a) tailored to council? b) formally adopted?	Yes		a) Website b) 12/10/2020 Item 8
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes		a) & b) 12/10/2020 Item 8
1.3	Have Financial Regulations been a) tailored to	Yes		a) Website b) 12/10/2020 Item 8

	council? b) formally adopted?			
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes		a) & b) 12/10/2020 Item 8
1.5	Does the council a) give grants? b) have a grant-awarding policy?	Yes		a) Yes b) Approved 09/03/2020 Item 3 and on website
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?	Yes		Reviewed 12/10/2020 Item 8 and on website

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	No		

	minute reference)?			
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	Yes	I suggest that total amount of statutory limit is shown not just amount per elector	a) & b) Cashbook on Website
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	Yes		Salaries, other than the Clerk, are paid by Standing Order and these were approved 3/2020 9.4 One DD to Freelo – approved 09/03/2020 9.6
2.4	Was Petty Cash expenditure approved, if any?	N/A	No Petty Cash	
2.5	Is all expenditure supported by VAT invoices, if applicable?	Yes		Sample of Invoices seen
2.6	VAT – a) recorded in accounts b) reclaimed?	Yes		a) Cashbook on website b) Reclaimed credit on Income list on Website
2.7	Purpose of loan and power identified, if applicable?	N/A	No Loans	

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		Policy viewed
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		3-year agreement 8/10/2018 – 9.4 Review 12/10/2020 6.4 & 8
3.3	Copy of Risk Management policy seen?	Yes		Website
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	Yes		14/09/2020 6.4 Quarterly Finance Check and 6.2 Bank Reconcilation and Financial Statement check (done at every meeting) 09/11/2020 6.3 Quarterly Finance Check and 6.2 Bank Reconciliation and Financial Statement check (done at every meeting)
3.5	Does the council carry out an annual review of the effectiveness of their overall internal audit arrangements?	Yes		Risk Assessment including Internal audit arrangements reviewed 12/10/2020 Item 8
3.6	Asset register seen and reviewed regularly?	Yes		Website Reviewed 12/10/2020 Item 8
3.7	Evidence that	Yes	Annual walk round to be done by Clerk mentioned	Matters of concern referred to Parish Council

	assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?		in minutes but not minuted when completed or recorded on Asset register. Recommend this is minuted.	at every meeting a), b) & c) 14/12/2020 Items 11, 12 & 13 11/01/2021 Items 12/13/14
3.8	Review of a) investments? b) bank mandates?	Yes		a) and b) 11/05/2020 Item 6.7
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	None held	
3.10	Are a) physical records secure? b) electronic records backed up?	Yes		a) Locked filing cabinet and archives in locked shed b) Office 365 and monthly back up to memory stick

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	Yes		Minutes from 11th January on website 17th February

	than £25,000)?			
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	N/A	Most items on website are on the website, which is good practice	Website

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 under review a) prepared? b) adopted? c) minuted?	Yes		a) 11/11/2019 Item 10.3 b) & c) 13/01/2020 6.3
5.2	Reserves: a) Is there a reserve policy b) Were the objectives of the	Yes	Could be shown more clearly on Budget	a) Website b) Agreed with Budget 11/01/2020 Item 6.4

	reserves identified?			
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		13/01/2020 6.3
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		On cash book on website and in Financial Report given to Councillors at every meeting
5.5	Are any significant unexplained variances from budget reported?	Yes		On cash book on website and in Financial Report given to Councillors at every meeting

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		All viewed
6.2	Do salaries paid agree with those approved by	Yes		Clerk: 09/11/2020 Item 6.5 Others: 03/2020 Item 9.4

	Council?			
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		PAYE Basic Tools used and payments to HMRC seen
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	No councillor allowances paid	
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes		a) & b) Clerk offered pension and declined – 14/09/2020 Item 6.5 Other staff offered when employed and declined – viewed
6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		05/11/2018 In Clerk's manual

7. Year-end procedures

Ref	Test	Meets reqmts?	Internal Auditor's comments/recommendations	Evidence

		Yes, No or N/A		
7.1	Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting?	N/A	Receipts and payments used.	
7.2	Does council as a whole consider the year-end accounts?	Yes		11/05/2020 Item 6.3
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	N/A		
7.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		11/05/2020 Item 6.4
7.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		11/05/2020 Item 6.5
7.6	Are all sections of the Annual	Yes		Website

	Governance & Accountability Return published on the 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 reported to council and minuted	Viewed
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes		11/05/2020 Item 6.6 Reviewed by Councillors 08/06/2020 Item 6.3 Clerk reports actions taken.
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	No	Not in minutes but Clerk states it was reported to Council. Certificate on website shows external audit report had to be amended before agreement. Recommend that review of external report is minuted.	Discussions with Clerk and website

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	Yes		Website

	Policy for Staff & Councillors and for the public?			
8.2	Is the Council a Managing Trustee?	Yes		Littledean Recreation Ground Charity (Charity Registration No. 3015590)
8.3	Do trustees meet at least once a year and publish separate accounts?	Yes		Minutes viewed. No separate accounts as no money involved as the charity was set up after donation of Recreation Ground.
8.4	Website Accessibility Statement on website home page?	Yes		Website
8.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes	Recommend that the minute appointing the auditor should say that council has assured itself that the auditor is independent and competent'	14/12/2020 Item 6.7
8.6	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	Yes		Viewed and two burial records checked re Exclusive Rights of Burial Certificate and monies received. Website

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 on website
9.2	Minutes initialled on each page and final page signed?	Yes		09/11/2020 and 11/01/2021 viewed
9.3	List of members' interests held and published on the website?	Yes		Website
9.4	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Website
9.5	Summons issued in proper format?	Yes		13/07/2020 and 08/02/2021 seen