LITTLEDEAN PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: Mrs 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.

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?	Yes but	Recommend that S18 from 2020 version is updated for next review	a) b) & c) 07/05/2021 Item 6 using 2018 version on website.

	b) reviewed using the most recent version? c) minuted?		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	Annual Governance Statement Assertion 1	a) b) & c) 07/05/2021 Item 6 using 2019 version on website.
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes		a) No grants given this year b) Website
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A	Annual Governance Statement Assertion 2 & 3	
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	Annual Governance Statement Assertion 3	Adopted 17/05/2021 Item 5 on website

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	10/01/2022 Item 6.1
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)	Yes	Annual Governance Statement Assertion 1 & 3	Cashbook up to adoption of GPC
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	N/A	No DDs & SOs Annual Governance Statement Assertion 1	
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	No Petty Cash Annual Governance Statement Assertion 1	
2.5	Is all expenditure supported by VAT invoices, if	Yes		Transaction Checklist

	applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes	Annual Governance Statement Assertion 1	a) Cashbook b) Reclaim seen on bank statement 08/04/2021

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	Annual Governance Statement Assertion 5	a) Policy seen b) 17/05/2021 Item 11 and 11/10/2021 Item 6.1
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Yes	Annual Governance Statement Assertion 5	a) Website b) 17/05/2021 Item 10
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website?	Yes	Annual Governance Statement Assertion 5	a) 17/05/2021 Item 10 b) Website

	(Objective L)			
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	Yes but	Although inspections are being done, it would be useful for the asset register to show which items are inspected on a monthly basis and record actions required for the other assets done on an annual basis. Annual Governance Statement Assertion 5	a) b) &c) Significant assets inspected and reported to every Parish Council meeting with actions undertaken or to be done. Ie 17/05/2021 – Items 20, 21, 22 and 23. All assets inspected and inspection minuted 10/01/2022 Item 16 but no actions to be done reported
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	Annual Governance Statement Assertion 2	Checklist viewed 12/07/2021 Item 6.3 and 08/11/2021 Item 6.3
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	17/05/2021 Item 16.2 and 14/06/2021 Item 6.2
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)?	Yes	Annual Governance Statement Assertion 1	a) & b) 17/05/2021 Item 17.4

	(Objective B/C)			
3.8	If bank cards in use, are proper procedures in place? (Objective B)	N/A	No bank cards held Annual Governance Statement Assertion 1	
3.9	Are a) physical records secure? b) electronic records backed up?	Yes	 Annual Governance Statement Assertion 5	a) In locked filing cabinet b) One drive/Memory Stick

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	 Annual Governance Statement Assertion 1	11/01/2021 Item 6.4
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general	Yes Yes		a) Budget seen b) 85% of expenditure

	reserves reasonable? (Objective D)		Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	Yes	It is advisable for the actual amount of precept to be placed in the minutes not just the percentage increase from last year.	11/01/2021 Item 6.5
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	It would be advisable to be clearer in the minutes what information has been seen by councillors and confirm that it has been approved. Annual Governance Statement Assertion 1	a) & b) Budget and payments to date sent to each councillor before each meeting. It is recorded as account and bank reconciliation seen
4.5	Are any significant variances from budget reported?	Yes	It would be advisable to be clearer in the minutes what information has been seen by councillors and confirm that it has been approved. Annual Governance Statement Assertion 2	Not minuted but papers seen by all councillors

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
5.1	Do all staff have a contract of employment?	Yes	Annual Governance Statement Assertion 3	Contracts seen

5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Annual Governance Statement Assertion 1	Amount paid checked to contract
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		a) & b) HMRC records seen
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	None paid Annual Governance Statement Assertion 1	
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes	Annual Governance Statement Assertion 3	a) Clerk offered pension and declined b) 14/09/2020 Item 6.5
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-	Yes		a) & b) Re-registration letter dated 20/01/2022 seen

	enrolment registration with Pension Regulator been reviewed (required every 3 years)		Annual Governance Statement Assertion 3	

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 properly on separate balance sheet if using Income & Expenditure reporting? (Objective J)	N/A	Receipts and Payments used Annual Governance Statement Assertion 1	
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	07/05/2021 Item 16.3
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for	N/A	Turnover over £25000	

	councils with a turnover of less than £25,000) (Objective K)		Annual Governance Statement Assertion 1	
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	07/05/2021 Item 17.1
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council (with separate minute number from Section 1 above)?	Yes	Annual Governance Statement Assertion 3	07/05/2021 Item 17.2
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Yes	Annual Governance Statement Assertion 3	Website
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 2022 are also reported to council and minuted. Annual Governance Statement Assertion 4	07/05/2021 Item 17.3

6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	20/09/2021 Item 6.5
6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	20/09/2021 6.6

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	Website
7.2	Is the Council a Managing Trustee?	Yes	Annual Governance Statement Assertion 9	Recreation Ground
7.3	Do trustees meet at least once a year	Yes		No monies involved Minutes seen 11/10/2021

	and publish separate accounts? (Objective O)		Annual Governance Statement Assertion 9	
7.4	Website Accessibility Statement on website home page?	Yes	Annual Governance Statement Assertion 3	Website
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes	Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 6	05/11/2021 Item 6.4
7.6	Are registers up to date for council-owned burial grounds (if any) and purchase of Exclusive Rights of Burials certificate completed?	Yes	Annual Governance Statement Assertion 3	Viewed on Clerk's laptop including a completed certificate

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	Yes		a) And c) 08/11/2021 and 13/12/2021 b) Yes

	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?		Annual Governance Statement Assertion 3	
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	Yes Yes	Recommend that if any other councillors have particular responsibilities that these could be added to the website Annual Governance Statement Assertion 3	Website – The Councillors section Names of Chairman and Vice Chairman listed
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	Agendas 08/11/2021 and 13/12/2021 seen
8.4	Summons issued in proper format?	Yes	Annual Governance Statement Assertion 3	Agendas 08/11/2021 and 13/12/2021 seen