

Caversfield Parish Council

Internal Auditor's Report for year ended

31-Mar-21

Date of Appointment of Internal Auditor

16-Sep-20

Date(s) of Internal Audit

16-Jan-21

24-Feb-21

02-Mar-21

Hours

14.15pm to 16.00p 11am to 11.30am

19.15pm to 20.30pm

1 Working Documents

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|---|-------------------|--|-----------------|
| 1.1 | Have Standing Orders been tailored and formally adopted? AB 7.23 LGA, Sch 12, para 42 and AB 19.9 LGA 1972, s135 | Y | Adopted on 21 November 2018 (Min 13a). Based on NALC Model Standing Orders and subsequent revisions. Virtual Meeting Procedure adopted under Min 11b/ 20 May 2020 - COVID 19. Temporary Delegation Scheme in response to Covid-19 adopted under min 9c/18 March 2020 | |
| 1.2 | Have Standing Orders been reviewed and minuted? Best practice to review as least bi annually or when there is a significant change to the council and its business. | Y | Re-adopted on 18 November 2020 (Min 9a,i) | |
| 1.3 | Have Financial Regulations been tailored to the council and formally adopted? | Y | Based on NALC Model Financial Regulations and last revised/adopted on 18 September 2019 (Min 8d) | |
| 1.4 | Have Financial Regulations been reviewed and minuted? | Y | Reviewed in Sept 19 when NALC issued revisions due to the amendments of the Public Contract Regulations | |
| 1.5 | Does the Council have a grant awarding policy? | Y | Reviewed and re-adopted 18 November 202 (Min 9a,iii) | |

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|-----|--|-----|--|--|
| 1.6 | Have items/services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations (Large Councils) | N/A | None for this financial year. | |
| 1.7 | Evidence that council maintains an adequate and effective system of financial control. Including risk management and that it is reviewed by the full council annually. | Y | Risk Assessment reviewed and RESOLVED under minute 11e/20 May 2020. It is noted that one designated councillor is responsible for the checking of payments and financial procedures for internal financial control as is best practice - appointed 20 May 2020/Min 11f | |
| 1.8 | Public land and Building Assets | Y | Open area of land - Old School Close - on Risk Assessment with risk or damage and Health & Safety recorded. | |
| 1.9 | Code of Conduct adopted by resolution of full council? | Y | Minute 7 2th July 2012 - CDC adopted May 2012 | |

2 Administration

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|--|-------------------|--|-----------------|
| 2.1 | Does the Council have the General Power of Competence and if so when was it adopted/minute number? | N | | |
| 2.2 | Is there a separate account for s 137 payments? | Y | Evidenced on budget monitoring and ledger. | |
| 2.3 | Councils authorisation of Direct Debit list and Standing Orders | Y | Minute 12n/20 May 2020 | |

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|-----|---|-----|--|--|
| 2.4 | Was the precept demand properly minuted ? | Y | Min 12c/15 January 2020 | |
| 2.5 | Was Petty Cash expenditure approved? | N/A | Financial Regulations 6.21 | |
| 2.6 | Is all expenditure supported by VAT invoices - if applicable? | Y | July and October invoices checked to ledger and agenda/minutes | |
| 2.7 | VAT - recorded and paid/reclaimed properly? | Y | Evidenced on budget monitoring and ledger. | |
| 2.8 | Loans | N/A | | |

3 Risk Management

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|--|-------------------|--|-----------------|
| 3.1 | Insurance | Y | Zurich | |
| 3.2 | Insurance - evidence of review of cover | Y | Last reviewed and renewed 15 July 2020 - Minute 9b Page 3 | |
| 3.3 | Copy of Risk Management Policy/statement seen? | Y | Seen via Website - 16 January 2021 | |
| 3.4 | Asset Register seen and up to date? | Y | 18 November 2020 - Min 10b | |
| 3.5 | Evidence that assets have been inspected for risk? | Y | 18 November 2020 - Min 10b | |
| 3.6 | Review of Investment, including bank accounts? | Y | | |
| 3.7 | Is 'two councillor signatures' rule applied to payments applied to electronic payments made by internet banking? | Y | The current 'Online Payment Procedure' only requires one councillor to authorise payment once the payments have been approved/RESOLVED at a Parish Council meeting. Policy adopted under min 11c/20 May 2020. Under Section 6.4 of the published financial regulations two members are required to sign. | |

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| 3.8 | If credit/debit/prepaid cards in use - are proper procedures in place? | Y | Financial Regulations 6.18/6.19/6.20 | |
| 3.9 | Electronic and physical records backed up | Y | Financial Regulations 6.13 | |

4 Budgetary Controls

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|--|-------------------|--|-----------------|
| 4.1 | Was a budget adopted and minuted? | Y | Min 9b/15 January 2020 and revised Min 12b/20 May 2020 | |
| 4.2 | Were the objectives of the reserves identified? | Y | Min 12c/20 May 2020 | |
| 4.3 | Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations. | Y | Min 12d/20 May 2020 | |
| 4.4 | Are any significant unexplained variances from the budget minuted? | Y | At year end under Min 12b/20 May 2020 | |

5 Payroll

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|---|-------------------|--|-----------------|
| 5.1 | Do all staff have a contract of employment? | Y | Confirmed by Clerk on 24 Feb 2021 | |
| 5.2 | Do salaries paid agree with those approved by council? | Y | Mins 12o, 12n and 20/20 May 2020 review of salary and expenses. | |
| 5.3 | Has the council registered as an employer with HMRC and have PAYE/NIC been properly dealt with (including year-end procedures)? | Y | Confirmed by Clerk on 24 Feb 2021 and evidenced in Finance reports | |
| 5.4 | Minimum wage paid? | Y | NALC and JPC scales used | |

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|-----|--|-----|---|--|
| 5.5 | Are councillor's allowances and expenses properly authorised & controlled (Large Councils) | N/A | | |
| 5.6 | Pension provision - an audit trail. | Y | Minute 9 Page 2 15 Jan 2020 last re enrolment and declaration made. | |

6 Year End Procedures

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|---|-------------------|---|-----------------|
| 6.1 | Bank Reconciliation - (a) Bank statements seen? (b) RFO's reconciliation? | Y | Bank Statements for September 2020 and November 2020 seen. | |
| 6.2 | Where appropriate debtors and creditors properly recorded? (large Councils) | N/A | | |
| 6.3 | Council as a whole to consider the year end accounts | Y | Min 12d/20 May 2020 | |
| 6.4 | Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25k) | Y | External Audit Certificate of Exemption RESOLVED for completion under Min 12j/20 May 2020 | |
| 6.5 | Annual Statement of Accounts, section 2 of Annual Return, approved by whole council? | Y | Min 12k/20 May 2020 | |
| 6.6 | Previous internal audit - action taken where recommended? Internal audit page published on website (mandatory for councils with turnover under £25k) | Y | No actions - Internal Audit looked at online via PC website on 16th January 2021. | |
| 6.7 | Previous external audit - action taken where recommended? | N/A | Exemption Certificate for External Audit | |

7 Other Matters

| Ref | Test | Meets Requirement | | For Council Use |
|-----|-----------------------------------|-------------------|--|-----------------|
| 7.1 | Registered with ICO? | Y | Risk Assessment 20/21 - Freedom of Information | |
| 7.2 | Is the Council a Managing Trustee | N | | |

8 Procedures

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|--|-------------------|---|-----------------|
| 8.1 | Minutes - declarations of interest. AB 7.16/LGA 1972 Sch 12, para 40. | Y | Minutes for 20/21 reviewed - On all agendas and clear explanation of requirements even for councillor entering the meeting late - demonstrates best practice and consistency | |
| 8.2 | Minutes - generally /AB 7.37 /LGA 1972, Sch 12, para 41(1) The minutes are in a book kept for the purpose and that the pages are consecutively numbered. | Y | Concentrates on decisions made, clear resolutions and consistent format - demonstrates best practice and consistency. Minutes consecutively numbered. | |
| 8.3 | Minutes initialled on each page and final page signed? | Y | Evidence via Zoom on 24 Feb 2021 | |
| 8.4 | Compliance and Transparency Code/guidance? | Y | Expenditure over £100 published annually on website/Website good for navigation and style not cluttered. Website Assessibility Statement due by RESOLVED under minute number 11c,i/16 September 2020. | |
| 8.5 | List of Member Interests held? | Y | | |
| 8.6 | Were books made upto date? | Y | | |

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|-----|--|---|---|--|
| 8.7 | Agendas signed and displayed 3 clear days' prior to meeting (i.e. not including date of issue/date of meeting/weekend/bank holidays) | Y | Confirmed by Clerk on 24th Feb 2021 | |
| 8.8 | Summons issued in proper format? | Y | Agendas all have a consistent format and correct 'summons' format. | |
| 8.9 | Delegated authority? | Y | Additional delegation for the period May 20-21 under min 9c/18 March 2020 in response to the COVID 19 pandemic. | |

9 Sampling

| Ref | Test | Meets Requirement | Internal Auditor Comments | For Council Use |
|-----|--|-------------------|---------------------------|-----------------|
| 9.1 | Is income properly recorded and promptly banked? | Y | | |
| 9.2 | Audit trail | Y | | |