

**STAVERTON PARISH COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2021**  
**Name of Auditor: Helen Jones**

**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**

<b>Ref</b>	<b>Test</b>	<b>Meets reqmts? Yes, No or N/A</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Evidence</b>
1.1	Have Standing Orders been; a) tailored to council? b) formally adopted?	Yes  Yes		August 2019
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes but....	NALC Model Standing Orders now revised in 2020 (minor amendment to section 18) so recommend for next review	As above
1.3	Have Financial Regulations been a) tailored to	Yes	Recommend regulations are put on website.	12 <sup>th</sup> Aug 2020 10.08.20 Model Financial Regulations agreed. Not currently available on website

	council? b) formally adopted?	Yes		
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes Yes	Note agenda item for May meeting to review. Council advised to use updated NALC Model Financial Regulations from July 2019	See 1.3
1.5	Does the council a) give grants? b) have a grant-awarding policy?	No Yes		Policy adopted 12 August 20. 11.08.20
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations?	N/A		
1.7	Code of conduct reviewed in the last 2/3 years?	Yes	Recommend Code of Conduct is displayed on the website	Reviewed 12.08.20 12 <sup>th</sup> August 20, but not shown on website

## 2. Admin

Ref	Test	Meets	Internal Auditor's comments/recommendations	Evidence
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		<b>reqmts? Yes, No or N/A</b>		
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	N/A		
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	No N/A	Recommend that you include section for S.137 payments if necessary	Cash book checked. No S137 category but no payments either
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	N/A None used		
2.4	Was Petty Cash expenditure approved, if any?	None used		
2.5	Is all expenditure supported by VAT invoices, if applicable?	Yes but	Ensure invoices made out to and paid directly by parish council to reclaim VAT, specifically the payments for the website	Sample invoices checked.
2.6	VAT – a) recorded in accounts b) reclaimed?	Yes Yes	Recommend VAT is reclaimed annually if minimum requirement of £100 is met	Cash booked checked. VAT reclaim seen
2.7	Purpose of loan and power identified, if	N/A		

applicable?

### 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 seen
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		Reviewed 12 August 20, also on next agenda of PC
3.3	Copy of Risk Management policy seen?	Yes		Displayed on website. Aug 20
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	No	<p>New Clerk has proposed a system of internal controls which should improve reporting. Recommend details are included in minutes.</p> <p>It is imperative that the Council review its internal controls particularly around payments to ensure that it is fulfilling its duty to mitigate any risks and comply with its Financial Regulations. The Council should take reasonable steps to prevent fraud and should look at the controls on online banking as a matter of urgency.</p>	Bank reconciliations are presented but no details given. No budget vs expenditure reported in minutes. Feb 21 – 'budget monitoring report circulated by Clerk'
3.5	Does the council carry out an annual review of the effectiveness of	No	Recommend that Council carries out an annual review of the audit as per G&A 2020 section 4.21; this could be done when council selects its internal auditor and confirms that it has reviewed	Minutes checked

	their overall internal audit arrangements?		competence, independence etc of the auditor.	
3.6	Asset register seen and reviewed regularly?	No	Recommend asset register completed and agreed by Council and displayed on website. Parish councils do not have to do depreciation as we can raise funds through the precept for any replacements	Not on website. Assets – ‘action Chair’ 14.08.20 4.11.20 ‘RL has reviewed assets, considered need to decide on deprecation’
3.7	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?	No No No	Recommend that assets: a) have been inspected for risk b) reported in minutes c) any actions undertaken	No evidence seen but item on agenda for May 21
3.8	Review of a) investments? b) bank mandates?	No No	Recommend investments and bank mandates are reviewed.	Reserves of £8500 approx
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.10	Are a) physical records secure? b) electronic records backed up?	Yes Yes		Stored at home  External hard drive used

#### 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 than £25,000)?	Yes		When checked, the minutes for the most recent meeting were displayed
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Mostly	Advise that PC ensures that the relevant documents to comply with the Transparency Code are uploaded to the website. It is clear that work is being done to upload documents to ensure compliance.	Website checked.

## 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?	Yes to all but....	Recommend publishing budget on website either separately or as part of the minutes	11 <sup>th</sup> November 2019 Budget prepared and circulated (minute 11). Not included in detail in minutes or displayed on website

	c) minuted?			
5.2	Reserves: a) Is there a reserve policy b) Were the objectives of the reserves identified?	No  No	Suggest a review of reserves and any earmarked reserves identified	Reserves at bank of £8500+
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		11 Nov 19. precept £4750 agreed
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?	No but....	New Clerk has proposed a system of internal controls and budget monitoring which should improve reporting. Recommend details are included in minutes	Minutes checked.
5.5	Are any significant unexplained variances from budget reported?	No but.....	New Clerk has proposed a system of internal controls and budget monitoring which should improve reporting. Recommend details are included in minutes	Minutes checked

## 6. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
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6.1	Do all staff have a contract of employment?	Yes		Contract seen
6.2	Do salaries paid agree with those approved by Council?	Yes	Details of appointment of Clerk should be minuted with salary scale (even if this is a confidential item)	Appointment of Clerk in minutes November 10 <sup>th</sup> but no further details of salary grade. Salary checked against new Clerk's contract.
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		Payroll by PATA. HMRC payments made
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A		None claimed, none paid
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	No No	As the employer Parish Council should ensure that they comply with the requirements of the Pension Regulator	Clerk was appointed late 2020. Pension arrangements have not been discussed
6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		Re-declaration document seen 2020

## 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 sheet if using Income & Expenditure reporting?	N/A		
7.2	Does council as a whole consider the year-end accounts?	No	Consider preparing separate year-end accounts in addition to AGAR	Clerk supplied minutes, but not displayed on website. AGAR considered but not separate year-end accounts
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	Yes		Minutes checked 3/6/20 no.03/06/20 3.3
7.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		Minutes checked 3/6/20 no.03/06/20 3.1

7.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		Minutes checked 3/6/20 no.03/06/20 3.2
7.6	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website checked
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.	Website checked
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Partially	Some advice acted upon, but website was of concern when initially checked. However, it is clear that the new Clerk is making progress.	Checked minutes and previous report.
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N/A		

## 8. Other matters

Ref	Test	Meets	Internal Auditor's comments/recommendations	Evidence
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		<b>reqmts? Yes, No or N/A</b>		
8.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public?	Yes	Recommend that the Parish Council is registered with the Information Commissioner	Website checked.
8.2	Is the Council a Managing Trustee?	N/A		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Website Accessibility Statement on website home page?	No	Advise making website compliant as a matter of urgency	12 Aug 20 'Website provider cannot comply so agreed to source alternative 08/11/20 'Website Accessibility - Clerk will forward ARPC statement to HH. Members will discuss whether website is expanded to include parish news at next meeting'
8.5	Did council formally appoint GAPTIC as the Internal Auditor?	No	Ratify at next meeting and ensure appointment agreed formally in future years.	Clerk is new in post and GAPTIC not appointed beforehand. Discussed appointment via email because of short timescale.
8.6	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of	N/A		

Burials certificate completed?			
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## 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 checked. No declarations made
9.2	Minutes initialled on each page and final page signed?	Yes partially		Some minutes signed. Others delayed because of covid restrictions. Will be signed as a batch
9.3	List of members' interests held and published on the website?	No	Advised to obtain notice from TBC Monitoring Officer for display on PC website re. Members interests	Website checked
9.4	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Website checked
9.5	Summons issued in proper format?	Yes but	Recommend zoom link should be given should the need to return to online meetings occur	Website checked.