

BOURTON ON THE WATER PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2019
Date of Internal Audit: 24 January 2019
Name of Auditor: Julie Shirley

1. Working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes	Suggest adding adoption date at the end of the standing orders (as done with the financial controls document)	
1.2	Have Standing Orders been reviewed and minuted?	Yes		
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes	The Public Contracts Regulations 2015 has not been included in adopted version of Financial Regs, suggest Council revisit regulations and update.	
1.4	Have Financial regulations been reviewed and minuted?	Yes		
1.5	Does the council have a grant awarding policy?	Yes		
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Yes	Contractors retained for routine activities eg tree works, reviewed every few years.	

1.7	Evidence that council maintains an adequate & effective system of internal control, including risk management and that it is reviewed by full council annually?	Yes	Q1 & Q2 completed – different cllr each time – need to consider consistency, maybe have same councillor undertake 2 checks then hand on to next councillor. Might find it easier to use a risk schedule – template available on SLCC website	
1.8	Details of public land and building assets on website (if applicable)?	No	Land/buildings listed in asset register but is required to be published on website under the Transparency Code 2015	
1.9	Code of conduct adopted?	Yes		

2. Admin

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	No		
2.2	Is there a separate account for s.137 payments?	Yes		
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes	Reviewed on 4 th April 2018 meeting	
2.4	Was the precept demand properly minuted?	Yes		
2.5	Was Petty Cash expenditure approved?	Yes	Petty Cash balances	
2.6	Receipts issued for cash income?	Yes		
2.7	Is all expenditure supported by VAT invoices, if applicable?	Yes		

2.8	VAT - recorded and paid / reclaimed properly?	Yes	Reclaimed quarterly	
2.9	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	For use by Council
3.1	Insurance policy in place?	Yes		
3.2	Evidence of review of insurance cover?	Yes		
3.3	Copy of Risk Management policy / statement seen?	Yes	Suggest using a Risk Schedule – sample provided	
3.4	Asset register seen and up to date?	Yes		
3.5	Evidence that assets have been inspected for risk?	Yes	Recommend ICCM memorial safety training so that councillors/volunteers could undertake the 5 yearly safety checks of memorials. Or consider using a contractor to carry out the checks (use of topple test machine no longer recommended, hands on test only).	
3.6	Review of investments, including bank accounts?	Yes		
3.7	Is 'two councillor signatures' rule applied for payment orders?	Yes		
3.8	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		

3.9	Electronic and physical records backed up?	Yes	Manually backed-up weekly onto alternate hard drives – stored in safe and one off-site Add to quarterly checks template so that Council can ensure this is done regularly. BOTW is reducing paper storage by putting into electronic format. Deeds/agreements/burial ledgers/minutes kept in fireproof safe.	
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4. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
4.1	Was a budget adopted and minuted?	Yes but...	Consider showing 3 years on budget so that residents are more easily able to compare last-current-future budget	
4.2	Were the objectives of the reserves identified?	Yes		
4.3	Did the council regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations)?	Yes		
4.4	Are any significant unexplained variances from budget minuted?	Yes but...	Suggest minuting variances / any additional expenditure not budgeted. Recommend viring funds into budgets that are overspent. Scribe is not able to reflect the additional unbudgeted expenditure until year end.	

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
5.1	Do all staff have a contract of employment?	Yes		

5.2	Do salaries paid agree with those approved by Council?	Yes		
5.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		
5.4	Minimum wage paid?	Yes		
5.5	Are Councillor's allowances and expenses properly authorised & controlled? (LARGE COUNCILS)	Yes	Travel and minor expenses met through petty cash.	
5.6	Pension provision – eligible employees offered pension scheme?	Yes		

6. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
6.1	Bank reconciliation: - (a) Original bank statement(s) seen? - (b) RFO's reconciliation?	Yes	F&GP	
6.2	Where appropriate, debtors and creditors properly recorded? (LARGE COUNCILS)	Yes		
6.3	Council as a whole to consider the year-end accounts?	Yes		

6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25,000)?	Yes		
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		
6.6	Previous internal audit – action taken where recommended?	Yes		
6.7	Internal Audit page published on website (mandatory for councils with turnover under £25,000)?	Yes		
6.8	Previous external audit – action taken where recommended?	N/A		

7. Other matters

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
7.1	Policies in place for compliance with GDPR?	Yes		
7.2	Is the Council a Managing Trustee?	No		

8. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
8.1	Minutes – DPIs or other interests recorded?	Yes		
8.2	Minutes published on website in draft form within one month?	Yes		
8.3	Minutes initialled on each page and final page signed?	Yes	Recommend payments list also initialled on each page.	
8.4	Compliance with Transparency Code/guidance?	Not completely...	Transparency Code applies to BOTW as income exceeds £200k, so for example payments schedule should also include invoice date for each payment to be made that exceeds £500. Organisation chart should be on website, as should details of land assets. Recommend reviewing Transparency Code and publishing the information required.	
8.5	List of members' interests held?	Yes		
8.6	Were books made up to date?	Yes		
8.7	Agendas signed and displayed 3 clear days' prior to meeting?	Yes	Agendas dated Fridays for Wednesday meetings – counting Saturdays as one of clear days.	
8.8	Summons issued in proper format?	Yes		

9. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Is income properly recorded and promptly banked?	Yes		
9.2	Audit trail for selected sample transactions?	Yes		
9.3	Burial records	Yes		

Consider staffing requirements given the large community building and workload of staff. Suggest asking for an independent review of workload and staffing requirements.