

BOURTON ON THE WATER PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2020
Date of Internal Audit: 2nd March 2020
Name of Auditor: GAPTC (Julie Shirley)

1. Working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes		Standing Orders on website
1.2	Have Standing Orders been reviewed and minuted?	Yes	Reviewed 6 th March 2019, 1 amendment	Minutes 06/03/19 item 18/184
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes		Financial Regulations on website
1.4	Have Financial regulations been reviewed and minuted?	Yes	Reviewed 6 th March 2019, no amendments	Minutes 06/03/19 item 18/184
1.5	Does the council have a grant awarding policy?	Yes		Policy on website

1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Some	<p>> £3k 3 quotes < £3k 2 quotes < £500 1 quote</p> <p>Recommend it is noted in the minutes where the number of quotes received is not in accordance with Financial Regulations and the reason why Council has made a decision with less quotes than required, eg Village Green railings should have received 3 quotes. It is acceptable to vary from Financial Regs on occasion, such as not being able to get 3 quotes, just note why in case of challenge.</p>	Finance Committee Minutes Full Council Minutes Quotes in minutes files
1.7	Code of conduct reviewed?	Yes	Adopted 6 th November 2019	Code of conduct on website & minutes 06/11/19 item 19/094

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 minute reference)?	N/A	Not adopted. Recommend Council looks to adopt the GPOC – Council meets the eligibility criteria of qualified clerk and 2/3rds elected councilors.	
2.2	Is there a separate account for s.137 payments and within statutory limits?	Yes		

2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes	6 th March 2019	Minutes 06/03/19 item 18/184
2.4	Was Petty Cash expenditure approved, if any?	Yes		Petty cash records and money tin
2.5	Receipts issued for cash income?	Yes		Receipt book
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		Invoice file
2.7	VAT - recorded and paid / reclaimed properly?	Yes		VAT returns
2.8	Purpose of loan and power identified, if applicable?	N/A	No loan	

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		Insurance policy

3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		Budget Making Committee minutes 30/09/19
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes	Adopted 6 th March 2019	Risk Assessment on the website Minutes 06/03/19 item 18/184
3.4	Evidence that internal controls take place and are documented	Yes	Carried out quarterly	Hard copy of latest quarterly check viewed
3.5	Asset register seen and reviewed regularly?	Yes	Reviewed 6 th March 2019, minutes item 18/184.	Land & Buildings Asset register on website; other assets seen on register on Clerk's computer
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	No	No records seen. Recommend that Council receives (and minutes) a regular update as to the condition of its assets and that a written record is maintained of inspection dates (suggest within the asset register). This is to evidence that inspections have taken place and assets are safe as this information would be needed to defend a public liability insurance claim.	
3.7	Review of investments, including bank accounts?	Yes		Reserves list on website
3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes	Recommend councillors who sign cheques also initial invoices to show that payee and amount is checked against original invoice.	

3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	Not used	
3.10	Electronic and physical records backed up?	Yes	Manually backed-up weekly onto alternate hard drives – stored in safe and one off-site. BOTW is reducing paper storage by putting into electronic format. Deeds/agreements/burial ledgers/minutes kept in fireproof safe.	

4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
4.1	Details of public land and building assets on website (if applicable)?	Yes		Land & Building asset register on website
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Yes		Minutes on website

4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes but...	Payments list very good, just needs date of expenditure adding (ie date of invoice) to fully comply with this part of the code. Staff Organisation Chart needs to be available on the website.	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 prepared, adopted and minuted?	Yes	2019/20 budget approved at 9 th January 2019 meeting.	Minutes 09/01/19 item 18/151
5.2	Were the objectives of the reserves identified?	Yes		Reserves list
5.3	Was the precept demand properly minuted in full council?	Yes	2019/20 precept approved at 9 th January 2019 meeting.	Minutes 09/01/19 item 18/151
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes		Full Council minutes on website and paper copies of bank reconciliations
5.5	Did the council regularly compare the actual income	Yes		Full Council minutes on website and paper copies of budget reports

	and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes?			
5.6	Are any significant unexplained variances from budget reported?	N/A	No significant variances identified in the sample minutes checked.	

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		Contracts of employment and pay increase letters
6.2	Do salaries paid agree with those approved by Council?	Yes		Pay records compared to contracts of employment

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 outsourced	
6.4	Minimum wage paid?	Yes		Contracts of employment
6.5	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	Minor expenses met through petty cash	
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Yes		
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes	Re-declaration of automatic enrolment completed 21 st January 2020	Automatic enrolment paperwork

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?	Yes		Financial summaries as presented to Council
7.2	Council as a whole to consider the year-end accounts?	Yes	9 th May 2019	Minutes 09/05/19 item 19/013
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes	2018/19: 9 th May 2019	Minutes 09/05/19 item 19/013
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes	2018/19: 9 th May 2019	Minutes 09/05/19 item 19/014

7.5	Are all sections of the Annual Governance & Accountability Return published on the website (mandatory for councils with turnover under £25,000)?	Yes		Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Yes	2018/19: 6 th March 2019	Minutes 06/03/19 item 18/184
7.7	Previous external audit report reviewed by council and action taken where recommended?	Yes	2018/19: 4 th September 2019 No actions required	Minutes 04/09/19 item 19/060

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 Policy for Staff & Councillors and for the public?	Yes		Website
8.2	Is the Council a Managing Trustee?	No		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Did council formally appoint GAPTC as the Internal Auditor?	Yes	2019/20: 9 th January 2020	2019/20: Minutes 09/01/20 item 19/131

9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Minutes – DPLs or other interests recorded?	Yes		Minutes on website
9.2	Minutes initialled on each page and final page signed?	Yes		Hard copy of minutes
9.3	List of members' interests held and published on the website?	Yes		Website
9.4	Were books made up to date?	Yes		Scribe accounting records viewed
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Hard copy of agendas
9.6	Summons issued in proper format?	Yes		Hard copy of agendas

10. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
10.1	Is income properly recorded and promptly banked and receipts issued for cash income?	Yes		Bank statements, paying in book and receipt book
10.2	Audit trail for selected sample transactions?	Yes but...	Minute reference on the payments list needs updating, many refer to 18/168 which was for approval of February 2019 monthly payments and not applicable to many of the later invoices.	Bank statements, cheque stubs, invoices, minutes
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	Yes	Register of Burials Ledger made up to December 2019	Ledgers and copies of ERB