



BOURTON ON THE WATER PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: JULIE SHIRLEY

Dates audit work undertaken: 9, 10, 23, 25 and 28 January; 10 and 14 February 2022

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	Yes to all		Standing Orders adopted 1 st September 2021 on website FC Minutes 01/09/21 item 21/080b

	council? 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 to all	Annual Governance Statement Assertion 1	Fin Regs adopted 1 st September 2021 on website FC Minutes 01/09/21 item 21/080c
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes to all	Council has a useful grant schedule including the current S137 limit	Grants Policy on website dated 4 th August 2021 Schedule of grants awarded on website dated 23 rd September 2021
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Annual Governance Statement Assertion 2 & 3	Quotes obtained for all items. Examples: Items under £3k did not require 3 quotes. Tree Survey £630+VAT FC Minutes 01/09/21 item 21/075b Roofing works £1450+VAT FC Minutes 02/06/21 item 21/029a Items above £3k-£25k: Tree survey £1650+VAT VEC Minutes 12/01/22 item 5a Roofing works Phase 3 £21,408+VAT – work agreed in phases with 3 quotes considered 14/03/18 Items above £25k: Play equipment contract £74.4k – advertised via Contract Finder and quotes considered by Council FC 02/06/21 item 21/028
1.5	Code of conduct	Yes but	Recommend Code of Conduct is reviewed	Code of Conduct dated 6 th November 2019 on

	reviewed in the last 2/3 years?		<p>annually as per the Council's Code or update the Code to reflect frequency of review. Once every 2/3 years is sufficient but particularly after council elections for the benefit of new councillors.</p> <p>Annual Governance Statement Assertion 3</p>	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	<p>Previously adopted and confirmed by GAPTC as remaining in force as new clerk has the appropriate qualification, council continues to meet the criteria.</p> <p>Annual Governance Statement Assertion 3</p>	Full Council minutes 5 th January 2022 item 21/164f
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)	(a) Yes (b) N/A	<p>(b) Council holds General Power of Competence</p> <p>Annual Governance Statement Assertion 1 & 3</p>	Scribe accounts online Schedule of Grants on website

2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	Annual Governance Statement Assertion 1	Full Council minutes 2 nd June 2021 item 21/031
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	Yes	Recommend using Scribe's cash bank account to keep a record of Petty Cash expenditure rather than separate spreadsheet; the top-up amounts can then be transferred to the Cash account within Scribe Annual Governance Statement Assertion 1	Petty cash spreadsheets Apr-Jun 2021 and Jun-Aug 2021. Full Council minutes 1 st September 2021 – petty cash top-up included in list of payments. Checked top-up amount 03/09/21 against list of petty cash expenditure to end of August 2021 = £119.99.
2.5	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	Mostly	Accounts software offers the ability to attach invoices to the transaction which has regularly been done since current clerk in post. Annual Governance Statement Assertion 1	See sample transactions
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes to all	Annual Governance Statement Assertion 1	Scribe accounts online

3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
3.1	Insurance policy	(a) Yes	Noted that Council in 3 rd year of 3-year agreement.	Full Council minutes 1 st September 2021 item

	a) in place? b) cover reviewed to ensure still fit for purpose? (Objective C)	(b) No but..	Recommend that Council review the insurance cover to ensure fit for purpose and minute the review. Annual Governance Statement Assertion 5	21/080d Employers Liability Certificate on website
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	(a) Yes (b) No	Recommend that the General Risk Assessment be reviewed annually as per the Risk Assessment Annual Governance Statement Assertion 5	General Risk Assessment 2019-20 on website
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	(a) Yes (b) Yes but	Recommend the Public Asset Register 2019-20 on website be updated to the latest version. Annual Governance Statement Assertion 5	Full Council minutes 1 st September 2021 item 21/080a Open Space Risk Assessment: reviewed by Village Environment Committee minutes 10 th November 2021 item 5d Cemetery Risk Assessment: reviewed by Village Environment Committee minutes 10 th November 2021 item 6a
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	a) Yes b) Yes c) Yes	Recommend keeping a central record of inspection dates and frequency of inspections, to ensure no asset is overlooked in error.	Play areas: Full Council minutes 4 th August 2021 item 21/059b Wicksteed Annual Inspection reports 2021 Tree survey: Full Council minutes 1 st September 2021 21/075b Memorial repairs: Full Council minutes 3 rd November 2021 21/120c Cemeteries Inspection 06/09/21 & 27/08/21

			Annual Governance Statement Assertion 5	Village repairs: Village Environment Committee minutes 12th January 2022 Inspection 28/10/21
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standing Orders (Objective B)	(a) Yes (b) Yes (c) Yes	Annual Governance Statement Assertion 2	Q1 and Q2 completed check sheets provided for auditor Q1 noted by F&GP Committee minutes 29 th July 2021 item 8 Q2 arranged by F&GP Committee minutes 21 st October 2021 item 7c.
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	Bank Recs presented monthly to council and minuted, for example FC minutes 1 st September 2021 item 21/081c FC Minutes 1 st December 2021 Item 21/149d
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	No to both	(a) Recommend review of Annual Investment Policy, last updated May 2020 (b) Recommend signing arrangements are confirmed annually to ensure fit for purpose Annual Governance Statement Assertion 1	Annual Investment Policy dated 6 th May 2020 on website Reviewed all F&GP and Full Council minutes on website
3.8	If bank cards in use, are proper procedures in place? (Objective B)	N/A	Bank card not yet in use. Annual Governance Statement Assertion 1	F&GP Minutes 29 th July 2021 item 15 approved multipay card for Clerk's use up to £500. Delayed at 21 st October 2021 minutes until bank account move was agreed.
3.9	Are	Yes	a) Confidential records are kept in a locked fire-	Advised by Clerk via email.

	a) physical records secure? b) electronic records backed up?	proof safe in the office. A small number of folders are kept in the Parish Office which is locked. b) Documents are stored on the PCs in the office and backed up weekly onto a portable hard drive which is secured offsite. Documents have recently been transferred over to Microsoft Sharepoint in order to facilitate working at home so are also stored in the cloud. Annual Governance Statement Assertion 5	
--	---	---	--

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 to all but	Recommend budget includes previous year's actuals so that residents can easily compare figures Annual Governance Statement Assertion 1	Budget 2021-22 on website Full Council minutes 6 th January 2021 item 20/177
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves	Yes but	a) Recommend the Reserve Risk Management Schedule be updated or removed from website if no longer used; the provisions are not consistent with the Reserves on Scribe accounts. b) General Fund is approximately 9 months' worth of precept, recommend not allowing this to go	a) Reserves balances on Scribe accounts online; Reserve Risk Management Schedule 2020-21 on website. b) Balance Sheet shows general fund has decreased; £145k in 2020-21 and at £131k in 2021-22.

	reasonable? (Objective D)		any higher without a specific purpose. Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	Yes		Full Council minutes 6 th January 2021 item 20/177
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 to all	 Annual Governance Statement Assertion 1	Council receives Financial Summary at each monthly meeting, eg 2 nd June, 4 th August, 6 th October 2021.
4.5	Are any significant variances from budget reported?	Yes	 Annual Governance Statement Assertion 2	Variances discussed at Full Council minutes 2 nd June 2021 item 21/031

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 of Employment made available for audit
5.2	Do salaries paid agree with those approved by	Yes		Staffing Minutes 10 th December 2021 Personnel Sub-Committee Minutes 24 th September 2021

	Council? (Objective G)		Annual Governance Statement Assertion 1	Payslips for all staff on Scribe accounts Contracts of Employment for all staff Pay review letter
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 to all		HMRC Tax Code notices for all staff RTI submission for council Nov 2021
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Yes	Allowances not paid, minor expenses claimed for reimbursement as per expenses policy. Annual Governance Statement Assertion 1	Expenses Policy adopted 3 rd November 2021 Scribe Online accounts – 2 councillor payments made Approved payment schedule included the councillor payments
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes to all	Annual Governance Statement Assertion 3	Contract of employment with reference to auto-enrolment to Nest pension scheme. Full Council Minutes 4 th May 2016 item 16/016 confirms Nest as the council's pension scheme
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with	Yes to all	Pension auto-enrolment compliance declaration made January 2020, not due for another year	Audit 2020-21

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)	Yes	Auditor noted the correction minuted 26 th April 2021 that the April 2020 minutes contained an error that Council operated R&P accounts; Council is accounting on an I&E basis. Annual Governance Statement Assertion 1	F&GP Minutes 26 th April 2021 item 5.1 Balance Sheet 2020-21 viewed on Scribe Breakdown of Creditors & Debtors provided by the Clerk
6.2	Does Council as a whole consider the year-end accounts in addition to 6.5? (Objective J)	Yes	Recommend Council considers the balance sheet, I&E account and year-end bank reconciliation prior to approving the Annual Return Annual Governance Statement Assertion 1	Full Council minutes 5 th May 2021 item 21/016
6.3	Minute confirming that council is eligible for	N/A	Turnover greater than £25k	Annual Return on website

	Certificate of Exemption (only for 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	Full Council minutes 5 th May 2021 item 21/014
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	Full Council minutes 5 th May 2021 item 21/015
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	Annual Governance Statement Assertion 4	Full Council minutes 5 th May 2021 item 21/016

6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	Full Council minutes 5 th May 2021 item 21/014
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	Full Council Minutes 23 rd September 2021 item 21/089

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	Privacy Policy (May 2018) and Privacy Notice (May 2018) state they will be reviewed annually. Suggest annual review not necessary but recommend reviewing in 2022/23 and update the website. Annual Governance Statement Assertion 3	Privacy Notice and Privacy Policy on website dated May 2018
7.2	Is the Council a Managing Trustee?	N/A	Council is not a Trustee Annual Governance Statement Assertion 9	Advised by Clerk
7.3	Do trustees meet at	N/A		

	least once a year 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	Council 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	Full Council minutes 3 rd November 2021 item 21/125(ii)
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	Burial ledger made up to 3 rd February 2022 Accounts made up to 24 th January 2022 Checked 3 burials and matched to finance ledger: Ledger 369, Ounsworth – no charge Ledger 380, Homes – txn 193 Ledger 383, Gheonea – txn 189 Ledger 388, Wright – txn not yet entered

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?	Yes to all		Declarations declared at meetings, all FC and Committee minutes on website checked

	<p>b) published on website in draft form within one month (mandatory for councillors with a turnover of less than £25,000)? (Objective L)</p> <p>c) initialled on each page and final page signed?</p>		Annual Governance Statement Assertion 3	<p>Draft FC Minutes 5th January and 23rd January published on website (as at 28th January 2022)</p> <p>Viewed signed minutes: 5th January 2022 and 6th October 2021</p>
8.2	<p>List of members' a) responsibilities (Objective L) and b) interests held and published on the website?</p>	Yes to both	Annual Governance Statement Assertion 3	Register of Interests links from PC website to Cotswold DC website
8.3	<p>Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)</p>	Yes	<p>Appreciated the link from the agenda to meeting papers; easy navigation and finding documents.</p> <p>Annual Governance Statement Assertion 3</p>	Agendas on website with upload date confirming 3 clear days met
8.4	<p>Summons issued in proper format?</p>	Yes	Annual Governance Statement Assertion 3	Agendas on website