

**BOURTON ON THE WATER PARISH COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2021**  
**Name of Auditor: GAPTC (Julie Shirley)**

**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 to all	Based on NALC 2018 model standing orders	Standing Orders adopted 2020 on website 4 <sup>th</sup> March 2020 minutes
1.2	Have Standing Orders been a) reviewed? b) minuted?	Yes to all	<b>Recommend</b> updating to the 2020 revised model standing orders	4 <sup>th</sup> March 2020 minutes
1.3	Have Financial Regulations been a) tailored to council? b) formally	Yes to all	<b>Recommend</b> moving the Financial Regulations on the website to a more prominent location (currently at the foot of the Accounts page below 2017-18 audit)	Financial Regulations adopted 2020 on website dated 6 <sup>th</sup> March 2020 4 <sup>th</sup> March 2020 minutes

	adopted?			
1.4	Have Financial regulations been a) reviewed? b) minuted?	Yes to all		4 <sup>th</sup> March 2020 minutes
1.5	Does the council a) give grants? b) have a grant-awarding policy?	Yes to all		Schedule of Grants 2020 on website Grant Policy 2019 on website
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Yes	Play equipment Youth services	Youth & Wellbeing Committee minutes 25/11/20, 21/10/20
1.7	Code of conduct reviewed in the last 2/3 years?	Yes		Code of Conduct Nov 2019 on website

## 2. Admin

Ref	Test	Meets reqmts?	Internal Auditor's comments/recommendations	Evidence
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		Yes, No or N/A		
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	Yes but...	GPC adopted at March 2020 meeting. However, Council acknowledged that recent clerk resignation means Council is no longer eligible to use GPC.	4 <sup>th</sup> March 2020 minutes 15 <sup>th</sup> February 2021 minutes
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits?	Yes to all	2020-21: s.137 grant limit = £8.32 per registered elector x 3,142 electors (March 2020 register) = £26,141.44	Schedule of Grants Awarded 2020 on website
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders?	Yes		4 <sup>th</sup> March 2020 minutes
2.4	Was Petty Cash expenditure approved, if any?	Yes		Dec-Jan 2021 petty cash reconciliation February 2021 payments schedule
2.5	Is all expenditure supported by VAT invoices, if applicable?	Yes	<b>Recommend</b> that the Powers used for expenditure are checked, eg LGA 1972 s133 is used a lot and is incorrect for some of the transactions.	See separate list of sampled transactions
2.6	VAT – a) recorded in accounts b) reclaimed?	Yes to all		VAT returns Q1, Q2, Q3 Cashbook up to 1 <sup>st</sup> March 2021
2.7	Purpose of loan and power identified, if applicable?	N/A	No Loan	Advised by BOTW PC

### 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		Schedule dated 21 <sup>st</sup> March 2021
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		Email correspondence between Council and Insurer
3.3	Copy of Risk Management policy seen?	Yes	<b>Recommend</b> in 2021/2022	Risk Assessment General Policy dated March 2019 on website
3.4	Evidence that internal controls take place and are documented including bank reconciliations?	Yes	Good system of internal controls	3 <sup>rd</sup> February 2021 minutes Q1, Q2, Q3 councillor checks
3.5	Does the council carry out an annual review of the effectiveness of their overall internal audit arrangements?	No	<b>Recommend</b> that Council confirms that it has reviewed competence, independence etc of the internal auditor at appointment as per G&A section 4.21.	
3.6	Asset register seen and reviewed regularly?	Yes	Reviewed 4 <sup>th</sup> March 2020	Register of Assets 2019-20 on website 4 <sup>th</sup> March 2020 minutes
3.7	Evidence that assets	(a) Yes (b) Yes	Play equipment inspections reported to the Youth & Wellbeing Committee every meeting	Eg 15 <sup>th</sup> March 2021 minutes, 23 September 2020 minutes

	a) have been inspected for risk? b) reported in minutes? c) any actions undertaken?	(c) Yes	Village Environment Committee carry out H&S inspections of village amenities including trees	10 March 2021 minutes, 13 <sup>th</sup> January 2021 minutes
3.8	Review of a) investments? b) bank mandates?	Yes to all	(a) Annual Investment Policy reviewed May 2020 (b) Mandate updated 7 <sup>th</sup> April 2021	7 <sup>th</sup> April 2021 minutes
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	No debit/card in place	Advised by Assistant Clerk
3.10	Are a) physical records secure? b) electronic records backed up?	Yes to all	Physical files stored in the office.  The electronic files are backed up daily between each office computer and weekly to two external drives - one stored in the office safe and one stored off site in a staff safe.	Advised by Assistant Clerk

#### 4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
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4.1	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Yes		Draft minutes on website – latest minutes available are 7 <sup>th</sup> April 2021
4.2	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes	The Responsibility Register is a good record of all land for which the Council is responsible.	Website

## 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? c) minuted?	(a) Yes but (b) Yes (c) Yes	<b>Recommend</b> budget includes previous year so that residents can easily compare figures	2020/21 Budget agreed by Full Council 9th January 2020 item 19/121 2021/22 Budget agreed by Full Council 6 <sup>th</sup> January 2021 minutes Approved budget on website
5.2	Reserves: a) Is there a reserve policy b) Were the	Yes to all		Reserves Risk Assessment 2020-21 on website

	objectives of the reserves identified?			
5.3	Was the precept demand for the year under review properly minuted in full council?	Yes		2020/21 Precept agreed by Full Council 9th January 2020 item 19/121 2021/22 6 <sup>th</sup> January 2021 minutes
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?	Yes		Budget comparisons carried out at Full Council every meeting – minutes on website Also reviewed by Finance & GP Committee, eg 23 <sup>rd</sup> July 2020, 22 <sup>nd</sup> October 2020 minutes
5.5	Are any significant unexplained variances from budget reported?	Yes	Loss of income due to COVID-19 affecting room hire, offset by reduced youth provision	4 <sup>th</sup> November 2020 minutes item 20/134

## 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 for all staff viewed
6.2	Do salaries paid agree with those approved by	Yes		Monthly pay summaries April, July, October 2020, January 2021 Contracted hours increase letter for 2

	Council?			employees.
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		HMRC Tax coding notices Payments to HMRC on payment schedule
6.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Yes	<b>Recommend</b> Council reviews the legislation around the Parish Basic Allowance – the level is set by an independent panel appointed by the District Council; the Expenses Policy gives the impression that the Parish Council has decided the amount.	Expenses Policy adopted May 2020
6.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	(a) Yes (b) Not within 2020/21	Pension arrangements included in contracts of employment  Pension contribution rate referenced in relation to Clerk recruitment in March 2021	Contracts of employment  Personnel Minutes 17 <sup>th</sup> March 2021
6.6	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes	Re-declaration of automatic enrolment completed 21 <sup>st</sup> January 2020	Viewed last audit

## 7. Year-end procedures

Ref	Test	Meets reqmts?	Internal Auditor's comments/recommendations	Evidence
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		Yes, No or N/A		
7.1	Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting?	Yes but...	<b>Recommend</b> Council reviews Accountability & Governance Practitioners Guide 2020 paragraph 2.10. Council ran accounts on I&E basis 2019/20 and made the decision to move to R&P in 2020/21; Council will need to restate the 2019/20 figures on this year's Annual Return. The main change is that Box 8 will match Box 7 – on R&P basis there are no closing creditors/debtors.	Balance sheet 2019/20 23 <sup>rd</sup> April 2020 F&GP minutes
7.2	Does council as a whole consider the year-end accounts?	No	Considered by the Finance & GP Committee. <b>Recommend</b> Council approves year end accounts as a separate item to the Annual Return, eg approval of balance sheet / year end bank reconciliation	23 <sup>rd</sup> April 2020 F&GP minutes
7.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	N/A		
7.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		5 <sup>th</sup> August 2020 minutes item 20/085
7.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		5 <sup>th</sup> August 2020 minutes item 20/086e
7.6	Are all sections of	Yes		Website

	the Annual Governance & Accountability Return published on the website?			
7.7	Did council correctly provide for the exercise of public rights?	No	External Audit report noted that the notice for exercise of public rights not published before start of period due to COVID-19. <b>Recommend</b> that Council minutes the agreed dates for the exercise of public rights.	External audit report on website
7.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes		5 <sup>th</sup> August 2020 minutes item 20/086d
7.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Yes		6 <sup>th</sup> January 2021 minutes

## 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	Yes		Privacy Policy May 2018 on website

	Policy for Staff & Councillors and for the public?			
8.2	Is the Council a Managing Trustee?	N/A	Not a Managing Trustee	
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	<b>Recommend</b> that the Website Accessibility Statement is published asap. The Statement is required by law, even if the website is not yet fully compliant; the Accessibility Statement sets out what areas are not compliant and timescale for improvements. The deadline was September 2020.	Website
8.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes		4 <sup>th</sup> November 2020 minutes
8.6	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	Yes	Ledger made up to 10 <sup>th</sup> February 2021	Burial Ledger & sampled 3 ERB refs 32, 199, 206 and matched to Burial Ledger

## 9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
9.1	Minutes – DPs or other interests recorded?	Yes		Minutes on website, eg 3 <sup>rd</sup> February 2021, 4 <sup>th</sup> November 2020 7 <sup>th</sup> October 2020, 6 <sup>th</sup> May 2020
9.2	Minutes initialled on each page and final page signed?	Yes		Minutes on website, eg 6 <sup>th</sup> January 2021, 2 <sup>nd</sup> September 2020, 3 <sup>rd</sup> June 2020
9.3	List of members' interests held and published on the website?	Yes		Website
9.4	Agendas signed and displayed 3 clear days' prior to meeting?	No but...	7 <sup>th</sup> April agenda only available on website. Agenda dated 31 <sup>st</sup> March, cannot count Saturdays as a clear day when it's Easter or Christmas. LGA 1972 s243(1)	April 2021 agenda on website
9.5	Summons issued in proper format?	Yes		April 2021 agenda on website