

CORSE PARISH COUNCIL.
Internal auditor's report for the year ended 31 March 2020
Date of Internal Audit: 13th March 2020
Name of Auditor: Margaret J Highton

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

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	Recommend adoption or review date added to document	Website CPC Policies & Governance Documents
1.2	Have Standing Orders been reviewed and minuted?	Yes		16/05/2019 Minute 6
1.3	Have Financial Regulations been tailored to council	Yes	Recommend adoption or review date added to document	Website CPC Policies & Governance Documents

	and formally adopted?			Adopted 07/01/2020 Minute 11 – New regulations
1.4	Have Financial regulations been reviewed and minuted?	Yes		16/05/19 Minute 6
1.5	Does the council have a grant awarding policy?	Yes	Recommend adoption or review date added to document	Website CPC Policies & Governance Documents Adopted 03/03/2020
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	N/A		
1.7	Code of conduct reviewed?	Yes	Recommend adoption or review date added to document	Website CPC Policies & Governance Documents Reviewed 16/05/19

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	No		

	adopted (e.g. a minute reference)?		
2.2	Is there a separate account for s.137 payments and within statutory limits?	Yes	Clerk's Computer
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes	Only one Agreed 03/03/2020
2.4	Was Petty Cash expenditure approved, if any?	N/A	
2.5	Receipts issued for cash income?	N/A	
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes	Clerk's File
2.7	VAT - recorded and paid / reclaimed properly?	Yes	Clerk's File
2.8	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/recommendations	Evidence
3.1	Insurance policy in place?	Yes		Clerk's manual
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		05/03/19 Minute 10.3
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes		Website CPC Policies & Governance Documents
3.4	Evidence that internal controls take place and are documented	Yes		Clerk's Accounts File
3.5	Asset register seen and reviewed regularly?	Yes		Website Reviewed 16/05/2019 Minute 11
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	No	Assets must be inspected annually, a written report compiled and inspection recorded in minutes	
3.7	Review of investments,	No	Recommend they are reviewed and recorded in minutes	

	including bank accounts?			
3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes	One payment found on Transaction Checklist where cheque signed between meetings and invoice and Cheque Stub had not been initialled by two councillors	Clerk's Account File plus Cheque Stubs
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.10	Electronic and physical records backed up?	Yes		Memory Stick – Weekly One Drive - Cloud

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		Website
4.2	Minutes published on website in draft form within one month (mandatory for councils with a	Yes		Website

	turnover of less than £25,000)?			
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Yes		Website CPC external audits

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		05/11/2019 Minute 12.6
5.2	Were the objectives of the reserves identified?	Yes		Website CPC Accounts
5.3	Was the precept demand properly minuted in full council?	Yes		05/11/2019 Minute 12.6

5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes	Recommend Councillor & Clerk should initial Bank Statement & Bank reconciliation.	Clerk's Computer
5.5	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		Website CPC Accounts
5.6	Are any significant unexplained variances from budget reported?	Yes		Website CPC Accounts

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		Clerk's Manual
6.2	Do salaries paid agree with those	Yes		16/05/19 9.7

	approved by Council?			
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes		Clerk's Computer
6.4	Minimum wage paid?	Yes		NALC/SLCC Pay Rates paid
6.5	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A		
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Yes but	No minute found, but council should minute that a pension was offered but not accepted in order to meet legislative requirements	
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		02/03/2019 – Clerk's Account File

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	Council as a whole to consider the year-end accounts?	No	This should be done at full council meeting after the end of the financial year	
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		Website CPC External Audits 16/05/2019 9.3
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		Website CPC External Audits 16/05/2019 Minute 9.4
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website CPC External Audits 16/05/2019 Minute 9.4
7.6	Previous internal audit report	Yes		16/05/2019 Minute 9.6

reviewed by council
and action taken
where
recommended?

7.7 Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?

N/A

16/05/2019 Minute 9.5 Certificate of Exemption

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 CPC GDPR
8.2	Is the Council a Managing Trustee?	N/A		
8.3	Do trustees meet at least once a year	N/A		

and publish
separate accounts?

8.4 Did council formally Yes
appoint GAPTC as
the Internal
Auditor?

07/01/2020 Minute 13.3

9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Minutes – DPs or other interests recorded?	Yes		03/09/2019 2 07/01/2020 2
9.2	Minutes initialled on each page and final page signed?	Yes		Clerk's File
9.3	List of members' interests held and published on the website?	Yes		Website
9.5	Agendas signed and displayed 3	Yes		Website CPC Agendas

clear days' prior to meeting?

9.6 Summons issued in proper format? Yes

Clerk's File

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		Clerk's Accounts file
10.2	Audit trail for selected sample transactions?	Yes		
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of	N/A		

Burials certificate
completed?