

TODDINGTON PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2019
Date of Internal Audit: 19 March 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	May 2018	
1.2	Have Standing Orders been reviewed and minuted?	Yes	14 th May 2018	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes but	Recommend updating to include reference to Government Contract Finder (contracts over £25k) and Public Contracts Regulations 2015 (as stated in Standing Orders)	
1.4	Have Financial regulations been reviewed and minuted?	Yes	2017 version reviewed and no amendments made in May 2018	
1.5	Does the council have a grant awarding policy?	No	Grants considered on a case by case basis; recommend having a simple policy to ensure consistency of considering grants	

1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Yes	>500 & <1000 strive for 3 quotes >1000 <60k 3 quotes Grass cutting contract went out for tender but only one contractor responded	
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	Council has an Internal Controls Policy with ticklist of checks. It's good to see a robust system in place for ensuring financial risk.	
1.8	Details of public land and building assets on website (if applicable)?	Yes	Asset register on website (asset inspection date needs updating – last inspected November 2017)	
1.9	Code of conduct adopted?	Yes	8 th May 2017	

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)?	Yes	14 th May 2018	
2.2	Is there a separate account for s.137 payments?	Yes		
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes but	DDs authorised at set-up, eg PWLB payments – Council recommended to review list of DD/SOs once a year. Suggest paying ICO by DD as receive £5 discount by doing so.	
2.4	Was the precept demand properly minuted?	Yes	8 th January 2018 Minutes for 2018/19 precept 14 th January 2019 Minutes for 2019/20 precept	
2.5	Was Petty Cash expenditure approved?	No		
2.6	Receipts issued for cash income?	N/A		
2.7	Is all expenditure supported by VAT invoices, if applicable?	Yes		

2.8	VAT - recorded and paid / reclaimed properly?	Yes	Clerk to check when VAT last reclaimed and bring up to date if appropriate	
2.9	Purpose of loan and power identified, if applicable?	Yes	Before 2018/19 financial year – would have been checked by previous auditor	

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	Link to register on the website not working	
3.4	Asset register seen and up to date?	Yes		
3.5	Evidence that assets have been inspected for risk?	Yes	Reported to council 9 th July 2018 and 2 nd November 2018	
3.6	Review of investments, including bank accounts?	No	Recommend biennial confirmation of bank accounts and authorised signatories to ensure Council up to date on banking / authorising payments.	

3.7	Is 'two councillor signatures' rule applied for payment orders?	No	Payments signed by 2 councillors, however invoices not initialled. Recommend that councillors initial invoices to show that they have been checked against the payment as correct.	
3.8	If credit / debit / prepaid cards in use, are proper procedures in place?	No		
3.9	Electronic and physical records backed up?	No	All electronic files stored on an encrypted memory stick – recommend having a 2 nd copy retained by the Chairman	

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		
4.2	Were the objectives of the reserves identified?	Yes	General reserve not earmarked for anything specific.	

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?	N/A	No significant variances	

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	Current clerk is a Locum so no contract in place at present, however previous clerk had a contract of employment	
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)	N/A	Expenses not claimed by councillors	
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		

6.2	Where appropriate, debtors and creditors properly recorded? (LARGE COUNCILS)	N/A		
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		
8.4	Compliance with Transparency Code/guidance?	Yes		
8.5	List of members' interests held?	Yes	Held by Tewkesbury Borough Council	
8.6	Were books made up to date?	Yes	Latest entry 14/01/19	
8.7	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		
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	Council has General Power of Competence so do not need to list powers against each payment. Councillors authorising payments need to also initial invoices to verify that the invoices have been matched against payment.	
9.3	Burial records	N/A		

Need to arrange to complete the AGAR at year end.