

TEMPLE GUITING PARISH COUNCIL.
 Internal auditor's report for the year ended 31 March 2019
 Date of Internal Audit:
 Name of Auditor: Janet Eustace

1. Working documents

Ref	Test	Meets requirements? Yes, No or N/A	Internal Auditor's comments	For use by Council
1.1	Have Standing Orders been tailored and formally adopted?	Yes		
1.2	Have Standing Orders been reviewed and minuted?	Yes	Reviewed at May 2018 meeting. Website version dated 2 May 2018.	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes		
1.4	Have Financial regulations been reviewed and minuted?	Yes	Website version dated 4 May 2016 – needs updating.	
1.5	Does the council have a grant awarding policy?	No	Only small grants given.	
1.6	Have items / services above the recommended amount been competitively purchased in	N/A		

	accordance with Financial and Procurement Regulations? (LARGE COUNCILS)			
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	Yes	Risk assessment register on website but out of date. Other control mechanisms in place.	
1.8	Details of public land and building assets on website (if applicable)	Yes	Yes but version on website dated 2016. Should be reviewed annually.	
1.9	Code of conduct adopted?	Yes	On website but not dated.	
2.	ADMIN			
2.1	Has the General Power of Competence been adopted? Eg a minute reference	No		
2.2	Is there a separate account for s.137 payments?	Yes		
2.3	Council authorisation of Direct Debit list and Standing Orders?	NA		

2.4	Was the precept demand properly minuted?	Yes	In December 2017 Council agreed a precept increase of 2%. It is recommended that actual figure is minuted in future years.	
2.5	Was Petty Cash expenditure approved?	NA		
2.6.	IF the authority certified itself as exempt from a limited assurance 2017/18, it met the exemption criteria and correctly declared.	No	The council met the exemption criteria but should ensure that it resolves that it meets the qualifying criteria to certify itself as exempt. Minute should state 'the Council meets the qualifying criteria to certify itself as exempt'	

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2.6	Receipts issued for cash income?	No	Receipts not issued. Only income is from small number of allotments. Council should consider issuing receipts when rents paid.	
2.7	Is all expenditure supported by VAT invoices, if applicable?	Yes		
2.8	VAT - recorded and paid / reclaimed properly?	Yes		
2.9	Purpose of loan and power identified, if applicable	NA		
3.	RISK MANAGEMENT			

3.1	Insurance policy in place?	Yes		
3.2	Insurance – evidence of review of cover	Yes	Review carried out in the Financial Year	
3.3	Copy of Risk Management policy / statement seen?	Yes	On website but needs updating.	
3.4	Asset register seen and up to date?	Yes	Reviewed 2018 but version on website needs updating.	
3.5	Evidence that assets have been inspected for risk	Yes		
3.6	Review of investments, including bank accounts	No	But low level of expenditure makes this unnecessary	
3.7	Is ‘two councillor signatures’ rule applied for payment orders?	Yes	But note that cheque stubs are only initialled by one Councillor and that from Nov 2018 to end of the year none are initialled. Minutes of Feb 2019 record Council resolved to make 3 payments but does not list actual amounts.	
3.8	If credit / debit / prepaid cards in use, are proper procedures in place?	NA		
3.9	Electronic and physical records backed up	Yes		

4. Budgetary controls

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
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4.1	Was a budget adopted and minuted?	Yes	Jan 2018	
4.2	Were the objectives of the reserves identified?	Yes	Two earmarked reserves for Green Project and possible legal advice concerning leases.	
4.3	Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations.	No	Regular bank reconciliations are prepared but Council did not receive details of expenditure against budget. It is recommended that this should happen twice a year as a minimum.	
4.4	Are any significant unexplained variances from budget minuted?	No	See comment at 4.3	

5. Payroll

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
5.1	Do all staff have a contract of employment?	Yes		
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	Yes		

	(including year-end procedures)?			
5.4	Minimum wage paid?	Yes		
5.5	Are Councillor's allowances and expenses properly authorised & controlled (LARGE COUNCILS)	NA		
5.6	Pension provision – eligible employees offered pension scheme?	Yes	Minuted at September meeting.	

6. Year-end procedures

Ref	Test	Meets requirements?	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 ONLY)	NA		
6.3	Council as a whole to consider the year-end accounts	Yes		
6.4	Annual Governance Statement, section 1	Yes		

	of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25,000)			
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? Internal Audit page published on website (mandatory for councils with turnover under £25,000)	Yes		
6.7	Previous external audit – action taken where recommended?	NA	Exempt from External Audit.	

7. Other matters

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
7.1	Policies in place for compliance with GDPR?	Yes		
7.2	Is the Council a	NO		

	Managing Trustee			
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8	PROCEDURES			
8.1	Minutes – DPs 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	Not always	Most of the minutes have been signed by the Chairman but there are pages which have not been signed. Clerk signs minutes and on website copies is the only signatory which might be misleading. Hard, signed copy of May 2018 meeting missing from minute book. Items are not sequentially numbered. Council should reconsider decision not to follow this practice.	
8.4	Compliance with Transparency Code/guidance?	Yes		
8.5	List of members' interests held?	Yes		
8.6	Were books made up to date?	Yes		
8.7	Agendas signed and displayed 3 clear days' prior	Yes		
8.8	Summons issued in proper format?	Yes		

9	SAMPLING	Meets requirements?	Internal Auditor's comments	For use by Council
9.1	Is income properly	Yes	No receipts issued for allotment rents.	

	recorded and promptly banked?			
9.2	Audit trail for selected sample transactions?	Yes		