

GUITING POWER 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. Minutes 23.01.19	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes		
1.4	Have Financial regulations been reviewed and minuted?		Reviewed in 10.5.17. New Clerk is aware of need to review.	
1.5	Does the council have a grant awarding policy?	No	Only one payment made to support firework display. See comments elsewhere	
1.6	Have items / services above the recommended amount been competitively purchased in accordance with	N/A		

	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	Document on website is dated 10.5.17 but Minutes record that the risk management was reviewed at May 2018 meeting. I recommend that documents be amended to reflect the fact that they have been reviewed. A raft of documents is reviewed at the May meeting. The Council may wish to consider spreading these policy reviews over several meetings to ensure that Councillors have a better opportunity to consider content.	
1.8	Details of public land and building assets on website (if applicable)	Yes		
1.9	Code of conduct adopted?	Yes	May 2017	
2.	ADMIN			
2.1	Has the General Power of Competence been adopted? Eg a minute reference	No	Council noted at May 2018 meeting that the General Power of Competence had lapsed due to the percentage of co-opted Councillors.	
2.2	Is there a separate account for s.137 payments?	Yes	There is a separate heading in the cash book. Chq 733 – grant for fireworks. In prior years Council has used GPC to fund this expenditure. Council noted that its GPC had expired in May 2018. This payment might have been made s137 but note that it appears to have been made to an individual which would make this inadmissible. The Council receives a payment which reimburses much of this 'grant'.	
2.3	Council	N/A		

	authorisation of Direct Debit list and Standing Orders?			
2.4	Was the precept demand properly minuted?	Yes	14 November 2018	
2.5	Was Petty Cash expenditure approved?	N/A		
2.6	IF the authority certified itself as exempt from a limited assurance 2017/18, it met the exemption criteria and correctly declared.	Yes	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'	

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
2.6	Receipts issued for cash income?	Yes		
2.7	Is all expenditure supported by VAT invoices, if applicable?	Yes		
2.8	VAT - recorded and paid / reclaimed properly?	Yes	Only £13 VAT due in current year, so claim carried forward to next year.	
2.9	Loans - purpose of loan and power identified, if applicable	N/A		

3.	RISK MANAGEMENT			
3.1	Insurance policy in place?	Yes		
3.2	Insurance – evidence of review of cover	Yes	May 2018	
3.3	Copy of Risk Management policy / statement seen?	Yes	Dated 2017 but reviewed at May 2018 Council meeting	
3.4	Asset register seen and up to date?	Yes	Dated May 2017	
3.5	Evidence that assets have been inspected for risk	Yes	Various individual risk assessments on file and up to date	
3.6	Review of investments, including bank accounts	N/A	One investment account with Scottish Widows and one current account with Lloyds	
3.7	Is 'two councillor signatures' rule applied for payment orders?	Yes		
3.8	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.9	Electronic and physical records backed up	Yes	Backed up on a memory stick which is held by a Councillor	

4. Budgetary controls

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
4.1	Was a budget adopted and	Yes	14/11/2018	

	minuted?			
4.2	Were the objectives of the reserves identified?	Yes	There is a reserve held for playground improvements	
4.3	Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations.	Yes	Council receives regular financial reports	
4.4	Are any significant unexplained variances from budget minuted?	Yes		

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	New Clerk has contract as did previous clerk	
5.2	Do salaries paid agree with those approved by Council?	Yes	As set out in the contract. To be reviewed after 12 months in post	
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	Yes		

	paid?			
5.5	Are Councillor's allowances and expenses properly authorised & controlled (LARGE COUNCILS)	N/A		
5.6	Pension provision – eligible employees offered pension scheme?	No	Previous Clerk had been offered a pension scheme but new Clerk has not yet received offer.	

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)	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	Yes	May meeting 2018	

	for councils with turnover under £25,000)			
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council	Yes	May meeting 2018	
6.6	Previous internal audit – action taken where recommended? Internal Audit page published on website (mandatory for councils with turnover under £25,000)	Yes	Minutes of May 2018 meeting record that internal audit comments were noted.	
6.7	Previous external audit – action taken where recommended?	N/A	Council declared itself exempt from external audit from 2017/18	

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 Managing Trustee	Yes	Meet twice a year as trustees and have two bank accounts. Minimal levels of expenditure.	

8	PROCEDURES			
8.1	Minutes – DPs or other interests recorded?	Yes		
8.2	Minutes published	Yes		

	on website in draft form within one month?			
8.3	Minutes initialled on each page and final page signed	Yes	Not all minutes are initialled on every page. Minutes are not sequentially numbered. I recommend that they are w.e.f first meeting of new Council year.	
8.4	Compliance with Transparency Code/guidance?	No	Some of the financial information on the web site relates to 2016/17. This needs to be updated to include more recent figures.	
8.5	List of members' interests held?	Yes	There is a link from Parish website to District Council's web site	
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 recorded and promptly banked?	Yes		
9.2	Audit trail for selected sample transactions?	Yes		