

**NEWLAND PARISH COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2020**  
**Date of Internal Audit: 3<sup>rd</sup> 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**

<b>Ref</b>	<b>Test</b>	<b>Meets reqmts? Yes, No or N/A</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Evidence Council comments in red</b>
1.1	Have Standing Orders been tailored to council and formally adopted?	Yes	No adoption date on document on Website	Website
1.2	Have Standing Orders been reviewed and minuted?	Yes		25/06/2019 5040
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes	No adoption date on document on Website	Website Document now amended

1.4	Have Financial regulations been reviewed and minuted?	Yes		25/06/19 5040
1.5	Does the council have a grant awarding policy?	Yes		Website – 14/05/19 4994
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		25/06/19 5040

## 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		14/05/19 4996
2.2	Is there a separate account for s.137 payments and within statutory limits?	N/A	General Power of Competence held	
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes	Only one DD - ICO	26/02/2020 5174.1
2.4	Was Petty Cash expenditure approved, if any?	N/A	No cash transactions	
2.5	Receipts issued for cash income?	N/A	No cash transactions	
2.6	Is all expenditure supported by VAT invoices, if applicable?	Yes		See Transaction sample
2.7	VAT - recorded and paid / reclaimed properly?	Yes		VAT Return on Clerk's laptop
2.8	Purpose of loan and power identified, if applicable?	N/A	No loans	

### 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		Policy seen
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Yes		24/04/2019 5081.5
3.3	Copy of Risk Management policy and Risk Assessment seen?	Yes		Website
3.4	Evidence that internal controls take place and are documented	Yes	Internal audit document seen	30/07/19 5059.6 29/10/19 5103.7
3.5	Asset register seen and reviewed regularly?	Yes		Website
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	yes	Recommend that inspections are minuted	On internal check but not minuted separately <b>The inspections will be minuted in future</b>
3.7	Review of investments, including bank accounts?	No	Only Unity Trust Bank Account held and not reviewed during this year, but recommend it is done periodically	<b>The review will be undertaken annually and minuted.</b>

3.8	Is 'two councillor signatures' rule applied for payment orders?	Yes		See Transaction sample
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A	No debit/credit cards held	
3.10	Electronic and physical records backed up?	Yes		Online backup through Norton

#### 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 turnover of less than £25,000)?	Yes		Website
4.3	Compliance with Transparency Code for councils	N/A		

	with turnover of less than £25,000 and over £200,000?			
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## 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		29/01/19 4902.3.1
5.2	Were the objectives of the reserves identified?	Yes	Not on budget on website	Copy on Clerk's laptop as given to councillors for budget discussion.
5.3	Was the precept demand properly minuted in full council?	Yes		29/01/2019 4902.3.2
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Yes	Suggested councillors initial bank statement and reconciliation sheet	Checked by councillors
5.5	Did the council regularly compare the actual income and expenditure to the budget (as	Yes		25/06/19 5037.3 29/09/19 5081.3

	detailed in the financial regulations) and evidenced in the minutes?			
5.6	Are any significant unexplained variances from budget reported?	Yes		26/11/19 5125.1

## 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		Contract seen
6.2	Do salaries paid agree with those approved by Council?	Yes		28/01/2020 5160.1
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 form in Clerk's Records
6.4	Minimum wage paid?	Yes		SLCC/NALC 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?	N/A		Clerk not eligible
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	Yes		26/02/2020 5167.1

## 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	Receipts and Payments used	



7.2	Council as a whole to consider the year-end accounts?	Yes		30/04/2019 4969.3.5
7.3	Annual Governance Statement, section 1 of Annual Return, approved by whole council	Yes		30/04/19 4949.3.2
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Yes		30/04/2019 4949.3.3
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Yes		Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Yes		30/04/19 4969.3.1
7.7	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Yes		26/02/2020 5174.3

## 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
8.2	Is the Council a Managing Trustee?	No		
8.3	Do trustees meet at least once a year and publish separate accounts?	N/A		
8.4	Did council formally appoint GAPTC as the Internal Auditor?	Yes		28/01/2020 5148.5

## 9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
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9.1	Minutes – DPIs or other interests recorded?	Yes		25/06/19 5028 26/11/19 5114
9.2	Minutes initialled on each page and final page signed?	Yes		25/06/19 26/11/19
9.3	List of members' interests held and published on the website?	Yes		Website
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Yes		Clerk's laptop
9.6	Summons issued in proper format?	Yes		

## 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	No cash income	Bank statements on Clerk's laptop
10.2	Audit trail for	Yes		

	selected sample transactions?			
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	N/A		