



PAUNTLEY PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: ANITA SACH

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.

NOTE The auditor will complete the Annual Internal Audit Report (AIAR) page on the Annual Governance & Accountability Return (AGAR). The AIAR informs the Annual Governance Statement (AGS) assertions on the AGAR, so when council reviews the AGS, the responses must reflect the AIAR report.

1. Council working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
1.1	Have Standing Orders been a) tailored to council?	Yes	Make sure the most recent (2018 with updates in 2022) version of the Standing Orders are adopted. Also, all the sections that should be in bold in the model have been 'unbolded'. It is	November item 12a Website – Policies section

	b) reviewed using the most recent version? c) minuted?	No Yes	important that these bold sections remain highlighted as they are based on legislation Annual Governance Statement Assertion 1	
1.2	Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B)	Yes Yes Yes	Annual Governance Statement Assertion 1	November item 12b Website – Policies section
1.3	Does the council a) give grants? b) have a grant-awarding policy?	No Yes		No grants paid in 21/22 S137 Grants Policy adopted September item 13a Website – Policies section
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A but	Council's Financial Regulations 4.1 state that Clerk can spend up to £300, in conjunction with the Chairman. Recommend that council should try to get 3 quotes for expenditure over £300. Annual Governance Statement Assertion 2 & 3	November item 5 Tree surgeon work – Only one quote for £350 provided.
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	Annual Governance Statement Assertion 3	November item 12c Website – policies section

2. Finance

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
2.1	Has the General Power of Competence been adopted (e.g. a minute reference), if Council qualifies?	N/A	Annual Governance Statement Assertion 3	Council not eligible February 2022 Item 7
2.2	S137 a) is there a separate account for payments? b) are totals within statutory limits? (for Council's that do not held General Power of Competence)	No N/A	Recommend that cashbook includes a column for any S137 payments (grants) for 22/23 Annual Governance Statement Assertion 1 & 3	Cashbook No S137 payments in 21/22
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	Annual Governance Statement Assertion 1	November item 8 ICO £35
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	Annual Governance Statement Assertion 1	No petty cash

2.5	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	Yes	Annual Governance Statement Assertion 1	Invoices viewed during zoom call
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes Yes	Annual Governance Statement Assertion 1	Cashbook VAT reclaim May AGM item 12b

3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
3.1	Insurance policy a) in place? b) cover reviewed to ensure still fit for purpose? (Objective C)	Yes	Annual Governance Statement Assertion 5	May AGM item 9d Hiscox policy viewed
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Yes First review since 19/20	Recommend the policy is reviewed annually Annual Governance Statement Assertion 5	February item 10a Website – Policies section
3.3	Asset register a) reviewed regularly? (Objective H)	Yes	Recommend that the most recent asset register is posted on the website	February item 11.2 March 2021 asset register on website

	b) published on website? (Objective L)	Yes	Annual Governance Statement Assertion 5	
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	Yes Yes	Recommend that checks on the defibrillator are minuted from time to time. Annual Governance Statement Assertion 5	February item 11.1
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standin g Orders (Objective B)	No No No	Recommend that internal controls take place at least twice a year, with sampling of payments including bank reconciliation, a record kept of the transactions checked and minuted Annual Governance Statement Assertion 2	Minutes
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	No	Recommend formal bank reconciliations are provided to council Annual Governance Statement Assertion 1	Council receives accounts quarterly November item 6b January item 3.1 but no formal bank reconciliations as required in Council's Financial Regulations 2.2
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	N/A Not in 21/22	No investments Recommend that signatories are reviewed from time to time and minuted Annual Governance Statement Assertion 1	Discussion with Clerk

3.8	If bank cards in use, are proper procedures in place? (Objective B)	N/A	Annual Governance Statement Assertion 1	
3.9	Are a) physical records secure? b) electronic records backed up?	Yes Yes	Annual Governance Statement Assertion 5	Council has a locked cupboard Twice-weekly backup to USB sticks/laptop

4. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
4.1	Was a budget properly for the year under review a) prepared? b) adopted? c) minuted? (Objective D)	Yes No but No but	Recommend that adoption of budget is formally minuted, but difficult year for all councils during Covid. Have noted that budgetary process was adopted and minuted for 22/23 financial year Annual Governance Statement Assertion 1	Budget on website No evidence in minutes
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any?	Yes Yes		21/22 budget on website Reserves policy Sept item 13a

	b) Were the general reserves reasonable? (Objective D)		Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	No but	Recommend that precept amount is formally recommended. Have noted that was done for 22/23 financial year	No evidence in minutes
4.4	Did the council a) regularly compare budget vs spend (as detailed in the financial regulations) b) and evidenced in the minutes? (Objective D)	No No	Recommend that budget vs spend is reported to council Annual Governance Statement Assertion 1	May 2021 Any Other Business budget discussed and possible savings identified but no formal comparison of budget vs spend as required in Council's Financial Regulations 4.8
4.5	Are any significant variances from budget reported?	N/A	Annual Governance Statement Assertion 2	See 4.4

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
5.1	Do all staff have a contract of employment?	Yes	Annual Governance Statement Assertion 3	2019 contract viewed for 20/21 audit
5.2	Do salaries paid agree with those	Yes		Viewed September payslip

	approved by Council? (Objective G)		Annual Governance Statement Assertion 1	
5.3	Has Council a) registered as an employer with HMRC? b) have PAYE / NIC been properly dealt with (including year-end procedures)? (Objective G)	Yes Yes		TP Jones annual payroll service paid May AGM 2021
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Yes	Annual Governance Statement Assertion 1	November item 18 Cllr Harding expenses
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes Yes	Annual Governance Statement Assertion 3	Signed up to local government pension scheme November 2019. November 2019 item 707 12.1
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with	Yes N/A		Pension Regulator letter viewed on zoom. Review date 2023

Pension Regulator been reviewed (required every 3 years)		Annual Governance Statement Assertion 3	
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6. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
6.1	Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting? (Objective J)	N/A	Annual Governance Statement Assertion 1	
6.2	Does Council as a whole consider the year-end accounts in addition to 6.5? (Objective J)	Yes	Annual Governance Statement Assertion 1	May meeting Item 6
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less	Yes but	Recommend that the formal wording is to confirm that council is eligible for Certificate of Exemption from external audit	May meeting Item 5

	than £25,000) (Objective K)		Annual Governance Statement Assertion 1	
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council (with separate minute number from Section 2 below)?	No	Recommend council approves Section 1 and this is minuted separately from Section 2 Annual Governance Statement Assertion 3	No evidence in June minutes
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council (with separate minute number from Section 1 above)?	Yes	Annual Governance Statement Assertion 3	June meeting item 5
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Yes	Annual Governance Statement Assertion 3	Website – Financial Information
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	Annual Governance Statement Assertion 4	June item 6 and Website – Financial Information
6.8	Previous internal audit report	Yes		June item 7.1 and January item 6

	reviewed by council and action taken where recommended?		Annual Governance Statement Assertion 7	
6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N/A	Annual Governance Statement Assertion 7	

7. Other matters

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
7.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public?	Yes	Recommend that policies are dated Annual Governance Statement Assertion 3	Website – Policies section
7.2	Is the Council a Managing Trustee?	Yes	Annual Governance Statement Assertion 9	
7.3	Do trustees meet at least once a year	Yes		Village Hall items included in PPC agenda/minutes

	and publish separate accounts? (Objective O)		Annual Governance Statement Assertion 9	
7.4	Website Accessibility Statement on website home page?	No	Recommend this is done as a matter of priority as highlighted in previous audit. Further information and a template can be found on the GAPTC website in documents section under W Annual Governance Statement Assertion 3	Home page of website
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes	Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 6	April 2022 item 6
7.6	Are registers up to date for council-owned burial grounds (if any) and purchase of Exclusive Rights of Burials certificate completed?	N/A	 Annual Governance Statement Assertion 3	

8. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
8.1	Minutes: a) DPIs or other interests recorded?	Yes	Also recommend that minutes are initialled on each page so that they cannot be replaced after approval	a) Standing item on agendas b) Minutes on website c) July and January

	<p>b) published on website in draft form within one month (mandatory for councillors with a turnover of less than £25,000)? (Objective L)</p> <p>c) initialled on each page and final page signed?</p>	<p>Yes</p> <p>Yes</p>	Annual Governance Statement Assertion 3	
8.2	<p>List of members' responsibilities (Objective L) and interests held and published on the website?</p>	<p>Yes</p> <p>Yes</p>	Annual Governance Statement Assertion 3	Councillors section on website
8.3	<p>Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)</p>	Not all	<p>Remember to date all agendas to ensure compliance with legislation</p> <p>Annual Governance Statement Assertion 3</p>	2021 agendas not dated but publication date has begun to be added in 2022
8.4	<p>Summons issued in proper format?</p>	Yes	Annual Governance Statement Assertion 3	Agendas on website