

**COLEFORD TOWN COUNCIL.**  
**Internal auditor's report for the year ended 31 March 2020**  
**Date of Internal Audit: Remotely JUNE 2020**  
**Name of Auditor: Janet Eustace**

**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</b>
1.1	Have Standing Orders been tailored to council and formally adopted?	Y		Copy on website
1.2	Have Standing Orders been reviewed and minuted?	Y	Standing orders were reviewed at October 2019 Meeting minute 128	Minutes on website
1.3	Have Financial Regulations been tailored to council and formally	Y		Copy on website

	adopted?			
1.4	Have Financial regulations been reviewed and minuted?	Y	Financial regulations were updated May 2020 when small changes were incorporated. Last full review was at meeting in October 2019 minute 128	Minutes on website
1.5	Does the council have a grant awarding policy?	Y	Council Grants Policy 2019-2020	Document seen by the auditor.
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE COUNCILS)	Y	Council commissioned a new play area (Stepbridge) obtaining quotes from 3 suppliers	Minutes of Amenities Cttee on website.
1.7	Code of conduct reviewed?	Y	The Code of Conduct forms part of the Standing Orders pack	Website and reviewed October 2019

## 2. Admin

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)?	NA		

2.2	Is there a separate account for s.137 payments and within statutory limits?	Y	The Council has not made any s137 grants during the year but there is a cost code for such payments.	Information provided by the Clerk.
2.3	Council authorisation of Direct Debit list and Standing Orders?	Y	Direct debits are agreed at inception and included on the payments listing each month for full council	Minutes of meeting
2.4	Was Petty Cash expenditure approved, if any?	Y	Petty cash payments are included on the list of payments. Reported to Council and on the website	Minutes of meetings and website
2.5	Receipts issued for cash income?	Y	Council has few cash receipts. A numbered receipt is issued.	Scan of receipt book seen by auditor.
2.6	Is all expenditure supported by VAT invoices, if applicable?	Y	Relevant page of Omega accounts showing VAT element of invoices.	Seen by auditor
2.7	VAT - recorded and paid / reclaimed properly?	Y	VAT Claim forms	Seen by the auditor
2.8	Purpose of loan and power identified, if applicable?	NA		

### 3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
3.1	Insurance policy in	Y	Insurance in place for June 2019 – June 2020	Seen by Auditor

	place?			
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Y	Reviewed by the Council at June 2019 meeting minute 38	Minutes of meeting
3.3	Copy of Risk Management policy and Risk Assessment seen?	Y	Comprehensive Risk Assessment dated January 2020	Copy seen by auditor
3.4	Evidence that internal controls take place and are documented	Y	3 x In-house audit checks done during year. Comprehensive annual risk assessment completed.	Minutes
3.5	Asset register seen and reviewed regularly?	Y	Asset register dated October 2019	Seen by auditor
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	Y	Reviewed by Council at meeting held in Feb 2020.	Minutes seen by auditor
3.7	Review of investments, including bank accounts?	Y	All the Council's reserves are in the High Interest bank accounts. Council reviews banking arrangements periodically (eg when a new council is elected or if there is a change to the banks charges etc).	Information provided by the Clerk
3.8	Is 'two councillor signatures' rule applied for payment orders?	Y	The signing arrangements are 2 councillors and the Clerk. Two councillors sign the payment sheet. Electronic payment is done by Chairman and Clerk.	Minutes of meetings

3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	NA	The Council has no prepaid or credit cards	
3.10	Electronic and physical records backed up?	Y	The system is backed up to the cloud every night, managed by an outside contractor	Information provided by the Clerk

#### 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)?	No	Recommend that the asset register be added to the website in interests of transparency.	
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Y	It appears that Minutes are published within one month	Website
4.3	Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000?	Partial	No details of land assets. (see 4.1 above).	

## 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?	Y	At meeting in January 2020 minute 218	Website
5.2	Were the objectives of the reserves identified?	Y	There is a general fund and four earmarked reserve funds which are detailed on the Council's balance sheet	Balance sheet seen by auditor.
5.3	Was the precept demand properly minuted in full council?	Y	At meeting in January 2020 minute 219	Website
5.4	Did council regularly review bank reconciliations and reconcile them with the cash book?	Y	Monthly reconciliations presented to Council	Minutes of meetings
5.5	Did the council regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes?	Y	Monthly reports made to Council	Minutes of meetings

5.6	Are any significant unexplained variances from budget reported?	Y	Council reviews performance against budget at each meeting	Minutes of meetings
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## 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?	Y	All the staff have contracts.	Information provided by the Clerk.
6.2	Do salaries paid agree with those approved by Council?	Y	Salary review and confirmation is done as part of the appraisal system which is conducted annually by the Finance & Office committee and recorded in minutes of June 2019 meeting.	Minutes of Committee meeting.
6.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Y	Payroll handled by agent.	Information provided by Clerk
6.4	Minimum wage paid?	Y	Staff paid in accordance with recognised pay scales.	Minutes of the Finance Committee
6.5	Are Councillor's allowances and expenses properly	Y	Councillors are able to claim expenses, although few do. Expense form used and all claims authorised by the Clerk and put on agenda for	Copy of claim form seen by the auditor.

	authorised & controlled, if any?		council approval	
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Y	The Council is a member of the LGPS. Only the Clerk and the Assistant Clerk qualify. Other staff notified of availability of LGPS.	Information provided by the Clerk. Accounts show payments to LGPS.
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)	To be carried out 20/21	Council is preparing re-declaration for the pension regulator which is due end June.	Information provided by Clerk

## 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?	Y		Balance sheet seen by auditor.
7.2	Council as a whole to consider the year-end accounts?	Y	Item 39 of the June 2019 meeting of the Council.	Minutes of meeting
7.3	Annual Governance	Y	Item 39 of the June meeting of the Council agreed	Minutes of the meeting

	Statement, section 1 of Annual Return, approved by whole council		the Annual Governance statement. .	
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Y but	Annual accounts are signed as having been agreed at item 39 of the June meeting but do not feature as a separate agenda item. It is a requirement of the Regulations that the agreement of the Annual Accounts is recorded as a separate agenda item.	Website and minutes.
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Y		Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Y		Internal audit minute is October 2019 minute 130
7.7	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Y		External audit review was considered by Finance & Office Cttee October 19 and by Full Council October 19 item 134.

## 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?	Y	ICO certificate May 2019  All GDPR information is on the website. Policy in place for staff and volunteers.	Seen by auditor  Website
8.2	Is the Council a Managing Trustee?	NA		
8.3	Do trustees meet at least once a year and publish separate accounts?	NA		
8.4	Did council formally appoint GAPTC as the Internal Auditor?	N	Would have taken place at March meeting but meeting cancelled due to pandemic. It is recommended that formal appointment be made retrospectively at next Council meeting.	

## 9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
9.1	Minutes – DPs or	Y		Minutes

	other interests recorded?			
9.2	Minutes initialled on each page and final page signed?	Y		Minutes
9.3	List of members' interests held and published on the website?	Y		Website
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Y		Agenda seen by auditor
9.6	Summons issued in proper format?	Y	The agenda should state that the meeting is open to press and public. Also, confidential items are shown as being taken 'in committee'. Before a Council can go into a confidential session, it needs to resolve to do so and the agenda should include an item 'Public Bodies (admission to meetings) Act 1960'. The minutes of the meeting should record that the Council has Resolved to go into closed session under the 1960 Act.	Agenda seen by auditor

## 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	Y	Sample of receipts checked.	Auditor checked copies of paperwork

	and receipts issued for cash income?			
10.2	Audit trail for selected sample transactions?	Y	Sample of payments and receipts checked.	Auditor checked copies of paperwork.
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	Y		Copies of all most recent burial records and exclusive rights certificate seen by auditor.