

TODDINGTON PARISH COUNCIL.

Internal auditor's report for the year ended 31 March 2018

Date of appointment of Internal Auditor: 8th January 2018 (Minute 4; 2017-18-691)

Date(s) of Internal Audit: 30th May 2018 (full)

1. Working documents

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
1.1	Have Standing Orders been tailored and formally adopted?	Yes	Adopted March 2014, amended Nov 2014	
1.2	Have Standing Orders been reviewed and minuted?	Yes	Reviewed 8 th May 2017, Minute 11	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Yes	Adopted May 2015	
1.4	Have Financial regulations been reviewed and minuted?	Yes	Reviewed 8 th May 2017, Minute 12	
1.5	Does the council have a grant awarding policy?	No	Not a formal policy, applications are considered as they come in, which is a reasonable approach.	
1.6	Have items / services above the recommended amount been competitively purchased in 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		
1.8	Public land and building assets	Yes		
1.9	Code of conduct adopted by resolution of full council?	Yes	Adopted September 2012, reviewed at Minute 7, 8 th May 2017	
2.	ADMIN			
2.1	Has the General Power of Competence been adopted? Eg a minute reference	Yes	Minute 7, 8 th May 2017	
2.2	Is there a separate account for s.137 payments?	Yes		
2.3	Councils authorisation of Direct Debit list and Standing Orders.	N/A		
2.4	Was the precept	Yes	Minute 8, 9/1/17	

	demand properly minuted?			
2.5	Was Petty Cash expenditure approved?	N/A		

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
2.6	Cash	Yes		
2.7	Is all expenditure supported by VAT invoices, if applicable?	Yes		
2.8	VAT - recorded and paid / reclaimed properly?	Yes		
2.9	Loans	Yes	PWLB – paid twice per year	
3.	RISK MANAGEMENT			
3.1	Insurance	Yes	Overinsured in 2017-18, but renewal is due soon and Clerk has revised schedule and is getting quotes	
3.2	Insurance – evidence of review of cover	Yes		
3.3	Copy of Risk Management policy / statement seen?	Yes		
3.4	Asset register seen and up to date?	Yes		
3.5	Evidence that assets have been inspected	Yes	Policy in place and formal reports made to Council twice in 2017-18, very good check list.	

	for risk		Could make "Reports on condition of street furniture and War Memorial" a standing agenda item to make sure this is not overlooked. Council may wish to take specialist advice on inspection of War Memorial and best practice for maintenance.	
3.6	Review of investments, including bank accounts	No	Low risk investments.	
3.7	Is 'two councillor signatures' rule applied to payments made by internet banking?	N/A		
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		

4. Budgetary controls

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
4.1	Was a budget adopted and minuted?	Yes		
4.2	Were the objectives of the reserves identified?	Yes	Reserves are low, £4,000 approx at year end. The Council may wish to consider increasing the Precept to build up reserves (rule of thumb is that reserves should be no less than 1 x Precept), especially in view of likely development in the Parish and possibility of undertaking a	

			Neighbourhood Plan	
4.3	Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations.	Yes		
4.4	Are any significant unexplained variances from budget minuted?	N/A		

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?	Not checked		
5.3	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Yes	PATA	
5.4	Minimum wage paid?	Yes		
5.5	Are Councillor's	N/A		

	allowances and expenses properly authorised & controlled (LARGE COUNCILS)			
5.6	Pension provision – an audit trail	Yes	Registered with Pension Regulator,	

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)			
6.3	Council as a whole to consider the year-end accounts	Yes	Reports to Council show income/expenditure over year to date, not financial year. This is unusual but I understand this is what the Council wants.	
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with	Yes		

	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	Well done for addressing matters raised by previous internal audit.	
6.7	Previous external audit – action taken where recommended?	N/A	Receipt of conclusion of audit notice is minuted, but results of external audit not minuted (this should be minuted, even if the ext auditor gives the Council a complete bill of health)	

7. Other matters

Ref	Test	Meets requirements?	Internal Auditor's comments	For use by Council
7.1	Registered with ICO?	Yes	Renewed 13 th March 2018	
7.2	Is the Council a Managing Trustee	No		

8	PROCEDURES			
8.1	Minutes – declarations of interest	Yes		

8.2	Minutes generally	Yes	Excellent - informative	
8.3	Minutes initialled on each page and final page signed	Yes		
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		
8.9	Delegated authority	Yes	In Standing Orders and Financial Regs	

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	Yes		