

Please see 2.4 and 4.1 for explanation of 'No' response to internal control objective D in AIAR. Action is to minute Precept demand and Budget adoption correctly in 2019/20.

Wickwar PARISH / TOWN COUNCIL.
 Internal auditor's report for the year ended 31 March 2019
 Date of Internal Audit: 23rd May 2019
 Name of Auditor: Mary Leonard

1. Working documents

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
1.1	Have Standing Orders been tailored to council and formally adopted?	Y	Do not appear to be the NALC orders. NALC orders being adopted 2019/20	
1.2	Have Standing Orders been reviewed and minuted?	Y	May 2018 item 4; February 2018 item 8 Satisfied they will be upgraded and adopted in May 2019	
1.3	Have Financial Regulations been tailored to council and formally adopted?	Y	Do not appear to be the NALC FR NALC FR being adopted May 2019/20	
1.4	Have Financial regulations been reviewed and minuted?	Y	May 2018 item 4	
1.5	Does the council have a grant	N	Recommend that council adopts a policy as it already gives out a number of grants	

	awarding policy?			
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	Evidence that council maintains an adequate & effective system of internal control, including risk management and that it is reviewed by full council annually?	N	Risk Management Policy being adopted May 2019	
1.8	Details of public land and building assets on website (if applicable)?	Y	Asset Register on the website but no minute to show council agree the figure	
1.9	Code of conduct adopted?	Y		

2. Admin

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
2.1	Has the General Power of Competence been adopted (e.g. a minute reference)?	N		
2.2	Is there a separate account for s.137 payments?	Y	Reviewed in meetings S 137 limit needs to be known by council. Powers for spend need to be considered	
2.3	Council authorisation of Direct Debit list and Standing Orders?	Yes but	DD for utilities not reviewed; this should be done annually	
2.4	Was the precept demand properly minuted?	N	2019/20 precept agreed in Feb 2019 but no proposer or seconder 2018/19 not minuted. Council set up a budget working party. However, I cannot see that the budget was considered by full council and the precept set accordingly as no minute number. 2019/20 done correctly	
2.5	Was Petty Cash expenditure approved?	N/A		
2.6	Receipts issued for cash income?	N	No cash income	

2.7	Is all expenditure supported by VAT invoices, if applicable?	Y		
2.8	VAT - recorded and paid / reclaimed properly?	Y		
2.9	Purpose of loan and power identified, if applicable?		Previous PWLB payment coming out	

3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
3.1	Insurance policy in place?	Y	May 2018 item 6	
3.2	Evidence of review of insurance cover?	Y	Sept 2018 item 6 minute of payment of asset review invoice. No minute of the council reviewing the report and agreeing the cover. Hinted at! I am happy it happened, but the minutes needs to reflect this.	
3.3	Copy of Risk Management policy / statement seen?	N	Evidence that a working party working on a Risk Assessment document but not formally adopted. Happy this will be happening in 2019/20	
3.4	Asset register seen and up to date?	Y	Yes on website. No minute detail or review. Council to review and agree the asset register and the minutes to reflect this	

3.5	Evidence that assets have been inspected for risk?	N	Risk Assessment adopted Feb 2019 but not minuted. Council to minute the adoption of the policy	
3.6	Review of investments, including bank accounts?	N	But under £85,000. Council needs to review its investments and minute it to show happy or not.	
3.7	Is 'two councillor signatures' rule applied for payment orders?	Y		
3.8	If credit / debit / prepaid cards in use, are proper procedures in place?	N/A		
3.9	Electronic and physical records backed up?	Y	Monthly	

4. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
4.1	Was a budget adopted and minuted?	N	No evidence in the minutes for 2018/19	
4.2	Were the objectives	N	Yes for 2019/20 but not 2018/19. Reserves need to	

	of the reserves identified?		be formally identified	
4.3	Did the council regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations)?	Y	Recommend budget vs spend is attached to minutes	
4.4	Are any significant unexplained variances from budget minuted?	N	Variances need to be identified and any virements minuted.	

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
5.1	Do all staff have a contract of employment?	N	Clerk has contract. Contracts to be put in place in 2019/20 for other staff.	
5.2	Do salaries paid agree with those approved by Council?	Y		
5.3	Has the Council registered as an	Y		

	employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?			
5.4	Minimum wage paid?	No	Monthly amount looks to be less than minimum wage (currently £8.21 per hour). Council needs to look at the payment and be sure that they are paying an hourly rate that is minimum wage or above	
5.5	Are Councillor's allowances and expenses properly authorised & controlled? (LARGE COUNCILS)	N/A		
5.6	Pension provision – eligible employees offered pension scheme?	Y		

6. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
6.1	Bank reconciliation:	Y		

	- (a) Original bank statement(s) seen? - (b) RFO's reconciliation?			
6.2	Where appropriate, debtors and creditors properly recorded? (LARGE COUNCILS)	N/A		
6.3	Council as a whole to consider the year-end accounts?	Y		
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25,000)?	Y	JUNE 2018 Minutes need to clearly reflect	
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Y	JUNE 2018	
6.6	Previous internal audit – action taken where recommended?	?	Clock winder contract not reviewed.	
6.7	Internal Audit page	Y		

	published on website (mandatory for councils with turnover under £25,000)?			
6.8	Previous external audit – action taken where recommended?	Y	Check Public Rights to view dates for 2019. Clerk aware of dates	

7. Other matters

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
7.1	Policies in place for compliance with GDPR?	?	May 2018 but not for the public	
7.2	Is the Council a Managing Trustee?	N		

8. Procedures

Ref	Test	Meets reqmts? Yes, No or	Internal Auditor's comments	For use by Council
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		N/A		
8.1	Minutes – DPIs or other interests recorded?	N	Minutes just say noted and no further information given. Not minuted action on the actual agenda item, ie leave the room if for a DPI	
8.2	Minutes published on website in draft form within one month?	Y		
8.3	Minutes initialled on each page and final page signed?	Y		
8.4	Compliance with Transparency Code/guidance?	Y	Recommend that WPC complies with Transparency Code for Smaller Authorities (with turnover under £25,000) in general, in particular regarding payments on website not showing date of invoice and VAT.	
8.5	List of members' interests held?	N	Directed to South Glos website. Should be published on Wickwar website	
8.6	Were books made up to date?	Y		
8.7	Agendas signed and displayed 3 clear days' prior to meeting?	Y		
8.8	Summons issued in proper format?	Y		

9. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Is income properly recorded and promptly banked?	Y		
9.2	Audit trail for selected sample transactions?	Y		