

Annual Internal Audit Report 2022/23

CUTSDEAN PARISH COUNCIL

<http://www.cutsdeanparishcouncil.co.uk/index.html>

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			no petty cash
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

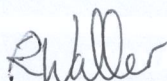
Date(s) internal audit undertaken

13/06/2023

Name of person who carried out the internal audit

RUTH WALLER

Signature of person who carried out the internal audit



Date

14/06/2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



CUTSDEAN PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2023
Name of Auditor: Ruth Waller

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?	a) Yes b) Yes c) Yes		Policy on website Reviewed May 2023 http://www.cutsdeanparishcouncil.co.uk/documents/model-standing-orders-2023.docx

	b) reviewed using the most recent version? c) minuted?		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)	a) Yes b) Yes c)	Annual Governance Statement Assertion 1	Document on website. Reviewed May 2023. Minute ref: http://www.cutsdeanparishcouncil.co.uk/documents/model-financial-regulations-england-May%202023.docx
1.3	Does the council a) give grants? b) have a grant-awarding policy?	a) No b) No		N/a
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	n/a	Annual Governance Statement Assertion 2 & 3	N/a
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	Annual Governance Statement Assertion 3	Policy on website. Reviewed in May 2023.

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	Does not meet criteria Annual Governance Statement Assertion 3	N/a
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)	a) Yes b) Yes	 Annual Governance Statement Assertion 1 & 3	End of Year accounts show S137 column and the limit for that financial year. No payments made using this power.
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	N/a	 Annual Governance Statement Assertion 1	N/a. No Direct Debits.
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/a	 Annual Governance Statement Assertion 1	N/a

2.5	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	N/a	No transactions incur VAT Annual Governance Statement Assertion 1	N/a
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	N/a	No transactions incur VAT Annual Governance Statement Assertion 1	n/a

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)	a) Yes b) Yes	Cover reviewed in April 2023, before renewal in May 2023, Annual Governance Statement Assertion 5	Insurance schedule seen by Auditor. Cover reviewed in April 2023, before renewal in May 2023,
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	a) Yes b) Yes	 Annual Governance Statement Assertion 5	Policy on website. Reviewed annually. Last reviewed May 2023. http://www.cutsdeanparishcouncil.co.uk/documents/Risk%20Management%20Schedule%20CPC%20May%202023.docx
3.3	Asset register a) reviewed	a) Yes	Recommend that the Assets Register is added to the Website.	Assets Register is included in the January 2023 minutes.

	regularly? (Objective H) b) published on website? (Objective L)	b) No	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)	a) Yes b) Yes c) Yes	Annual Governance Statement Assertion 5	Assets Register and checks are included in the January 2023 minutes.
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)	a) Yes b) Yes c) Yes	Recommend that actual checks are completed and minuted quarterly. Annual Governance Statement Assertion 2	Discussion with Clerk
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	No	Recommend bank reconciliations are included as a separate item on the agenda. Annual Governance Statement Assertion 1	None
3.7	Review of a) investments? b) bank mandates (signatories on	a) N/a b) N/a	No change in signatories for 5 years. Recommend this is reviewed following election in 2024.	N/a

	bank accounts)? (Objective B/C)		Annual Governance Statement Assertion 1	
3.8	If bank cards in use, are proper procedures in place? (Objective B)	n/a	Annual Governance Statement Assertion 1	N/a
3.9	Are a) physical records secure? b) electronic records backed up?	a) Yes b) Yes	Annual Governance Statement Assertion 5	Discussion with Clerk. a) Physical records are kept at clerk's home address. b) Electronic copies backed up to the Cloud.

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)	a) Yes b) Yes c) Yes	Not minuted. Only apparent in the accounts. Recommend this is minuted in more detail and separate from the Precept request. Annual Governance Statement Assertion 1	January 2022. Minute ref 6c January 2022 minutes.docx (live.com)
4.2	a) Were the earmarked	a) N/a b) N/a	No reserves.	End of year accounts published on website.

	objectives of the reserves identified in the budget, if any? 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?	Yes	Recommend a separate minute for the Precept request.	January 2022. Minute ref 6c January 2022 minutes.docx (live.com)
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)	a) Yes b) Yes	Recommend the supporting document is referenced in more detail and circulated to Cllrs. prior to meeting. Annual Governance Statement Assertion 1	Every meeting this is considered as part of the financial statement.
4.5	Are any significant variances from budget reported?	Yes	Annual Governance Statement Assertion 2	Website

5. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
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5.1	Do all staff have a contract of employment?	Yes	Recommend actual address of places of work are added to the contract, Annual Governance Statement Assertion 3	Clerk's contract seen by Auditor
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Recommend the Clerk's Salary is reviewed in line with SCP levels as there has been no increase since Clerk commenced. Any increase agreed will need to be calculate in the budget preparation for 2024/25 Annual Governance Statement Assertion 1	Clerks salary reviewed in March 2023
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)	a)Yes b) Yes		Clerk's payslip seen by Auditor. All necessary deductions have been made
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	n/a	Annual Governance Statement Assertion 1	N/a
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	a) Yes b) No	Recommend this is minuted when auto-enrolment is completed in 2023. Annual Governance Statement Assertion 3	No evidence due to time-lapsed.

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	End of year accounts published on website. http://cutsdeanparishcouncil.co.uk/documents/council-22-23.xlsx
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) (Objective K)	Yes	Annual Governance Statement Assertion 1	Minutes from 16 th June 2022. Minute ref: 4
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council (with separate minute number from Section 2 below)?	Yes	Annual Governance Statement Assertion 3	Minutes from meeting held on 16 th June 2022 Minute ref: 6
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	Minutes from meeting held on 16 th June 2022 Minute ref: 7
6.6	Are all sections of the Annual Governance & Accountability	Yes	Recommend this section of the website is renamed, e.g. 'Audits and Reports'.	Yes but under 'Events + Noticeboard' http://www.cutsdeanparishcouncil.co.uk/documents/AGAR%202022.pdf

	Return published on the website? (Objective L/N)		Annual Governance Statement Assertion 3	
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	Annual Governance Statement Assertion 4	Notice on website and dates for the period of exercise of public rights in 2022 were also reported to council and minuted. June 2022, minute ref:8
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	Minuted in June 2022 Minute ref: 5
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	N/a

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	Yes		Date Protection Policy and Privacy Notice on Website http://cutsdeanparishcouncil.co.uk/documents/data-protection-policy.docx

	Policy for Staff & Councillors and for the public?		Annual Governance Statement Assertion 3	http://cutsdeanparishcouncil.co.uk/documents/GDPR%20Cutsdean%20Privacy%20Notice%20Staff%20and%20Councillors%20May%202023.docx
7.2	Is the Council a Managing Trustee?	No	Annual Governance Statement Assertion 9	N/a
7.3	Do trustees meet at least once a year and publish separate accounts? (Objective O)	N/a	Annual Governance Statement Assertion 9	N/a
7.4	Website Accessibility Statement on website home page?	No	Recommend a Website Accessibility Statement is added to the home page. Annual Governance Statement Assertion 3	None
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	March 2023. Minute ref: 6a March 2023 minutes.docx (live.com)
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	N/a

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? b) published on website in draft form within one month (mandatory for councillors with a turnover of less than £25,000)? (Objective L) c) initialled on each page and final page signed?	a) Yes b) Yes c) Yes	Annual Governance Statement Assertion 3	Minutes on website and Physical minutes seen by Auditor – March 2023 sampled.
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	a) N/a b) Yes	Recommend the link to Members Interests is moved to the page providing information on the Council Members. Annual Governance Statement Assertion 3	On website, under Events + Noticeboard http://www.cutsdeanparishcouncil.co.uk/documents/REGISTER%20OF%20MEMBERS'%20INTERESTS%202023.pdf
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	Agendas are on the website. Clerk confirmed that agendas are also displayed on the village noticeboard.
8.4	Summons issued in	No	Agendas on website were not signed or dated.	Not signed or dated

	proper format?	Example of correct format shown to Clerk.	
		Annual Governance Statement Assertion 3	