



KEMPLEY PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: Margaret Highton

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	Section 18 of the Standing Orders were updated in 2020 with new amounts, so ensure that this section is amended during the next review. Also note, new amended figures are coming out in	a) Website b) Website 2018 version c) 17/05/2021 Item 15

	b) reviewed using the most recent version? c) minuted?	No Yes	2022 as well. 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	Latest Financial Regulations were updated in 2019, so use this version when carrying out the next review. Annual Governance Statement Assertion 1	a) Website b) Website 2018 version c) 17/05/2021 Item 15
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes No	The new Clerk has been informed a policy does exist. He will get it published on the website.	a) A few grants given b) No grants policy could be produced
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A	Annual Governance Statement Assertion 2 & 3	
1.5	Code of conduct reviewed in the last 2/3 years?	No	It is best practice to review Code of Conduct every 2/3 years. Annual Governance Statement Assertion 3	Document on website is dated 2018 and does not appear to have been reviewed or modified.

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	
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)	Yes	It would be good practise if statutory limit was stated on cashbook Annual Governance Statement Assertion 1 & 3	a) Seen on Cashbook b) Limit stated in minutes at Parish Council Annual meeting 10/05/2021 Item 17 and 2021/2022 limit is on agenda for annual parish council meeting on 10/05/2022
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	Annual Governance Statement Assertion 1	17/05/2021 Item 30
2.4	Was Petty Cash expenditure	N/A	No Petty Cash	

	approved, if any? (Objective F)		Annual Governance Statement Assertion 1	
2.5	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	Yes	Annual Governance Statement Assertion 1	Transaction list
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes	Annual Governance Statement Assertion 1	a) Cashbook b) Reclaim seen for 2020/2021

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 No	Clerk will check value of all council owned assets as insured values are higher than items on asset register. Annual Governance Statement Assertion 5	a) & b) Policy viewed
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Yes	It is good practice that the Risk Management Policy is reviewed each year and this is minuted.	a) and b) Website Adopted on 06/11/2018

			Annual Governance Statement Assertion 5	
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	Yes	Annual Governance Statement Assertion 5	a) 17/05/2021 Item 15 b) Website
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	No	Clerk is aware and will be starting a regular Inspection policy for 2022/2023 Annual Governance Statement Assertion 5	Inspection for year ending 31/03/2021 on website but no evidence of inspection for 2021/2022 year
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standing Orders (Objective B)	No	Clerk is aware and will be starting a three-monthly internal controls by a councillor. Annual Governance Statement Assertion 2	a), b) & c) No evidence that this has been done.
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	27/07/2021 Item 38 20/09/2021 Item 62
3.7	Review of	No	Clerk is aware and will place item on the agenda	a) No investments

	a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)		Annual Governance Statement Assertion 1	b) Mandate has not yet been amended for new clerk and no record of any review in 2021/2022
3.8	If bank cards in use, are proper procedures in place? (Objective B)	N/A	Annual Governance Statement Assertion 1	No cards held
3.9	Are a) physical records secure? b) electronic records backed up?	Yes	Annual Governance Statement Assertion 5	a) Locked filing Cabinet b) Laptop password protected and all items stored on 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)	Yes	Annual Governance Statement Assertion 1	a) b) & c) 03/11/2020 Item 82 e)
4.2	a) Were the earmarked objectives of the	Yes		a) Website b) Reserves are 78% of expenditure

	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		3/11/2020 Item 82 f)
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)	Yes	Annual Governance Statement Assertion 1	27/07/2021 Item 38 2009/2021 Item 62
4.5	Are any significant variances from budget reported?	Yes	Annual Governance Statement Assertion 2	No significant variances

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	Yes		Contract seen

	employment?		Annual Governance Statement Assertion 3	
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Annual Governance Statement Assertion 1	Payslip seen
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		HMRC Basic Tools used
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Yes	Annual Governance Statement Assertion 1	Chairman's allowance paid and approved in minutes
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes	Annual Governance Statement Assertion 3	Letter has been written to new Clerk and reply will be minuted.
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions?	No	Clerk will be investigating the situation. This has been raised on previous audits and should be actioned as a priority.	Discussion with Clerk

b) Has auto-enrolment registration with 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	Receipts and Payments are used 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	17/05/2021 Item 16
6.3	Minute confirming that council is eligible for	Yes		17/05/2021 Item 19

	Certificate of Exemption (only for councils with a turnover of less 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)?	Yes	Annual Governance Statement Assertion 3	17/05/2021 Item 20
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	17/05/2021 Item 16
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	No	The links to the various sections have been broken. New Clerk will reinstate links. Annual Governance Statement Assertion 3	Website
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	Annual Governance Statement Assertion 4	17/05/2021 Item 21

6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Some items still need actions. Annual Governance Statement Assertion 7	27/07/2021 Item 37
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	Annual Governance Statement Assertion 3	Website
7.2	Is the Council a Managing Trustee?	No	Annual Governance Statement Assertion 9	
7.3	Do trustees meet at least once a year	N/A		

	and publish separate accounts? (Objective O)		Annual Governance Statement Assertion 9	
7.4	Website Accessibility Statement on website home page?	No	Clerk is aware of this omission. Recommend this is actioned as a priority. Annual Governance Statement Assertion 3	Discussion with Clerk
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes	Annual Governance Statement Assertion 6	17/05/2021 Item 23
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	No burial grounds 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?	a) Yes b) Yes c) Mostly	Clerk is aware that some minutes have not been initialled and signed and he will ask the Chairman to correct the situation	a) & c) 17/05/2021 & 17/01/2022 b) Minutes dated 21/03/2022 on website

	<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>		Annual Governance Statement Assertion 3	
8.2	<p>List of members' a) responsibilities (Objective L) and b) interests held and published on the website?</p>	No	<p>Clerk is aware that all councillors' responsibilities and interests held must be on the website.</p> <p>Annual Governance Statement Assertion 3</p>	Only two councillor's interests are in website.
8.3	<p>Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)</p>	Yes	Annual Governance Statement Assertion 3	<p>15/09/2021</p> <p>17/01/2022</p>
8.4	<p>Summons issued in proper format?</p>	Yes	Annual Governance Statement Assertion 3	<p>15/09/2021</p> <p>17/01/2022</p>