



**STOKE ORCHARD & TREDINGTON PARISH COUNCIL**  
**Internal auditor's report for the year ended 31 March 2022**  
**Name of Auditor: J.Shirley (25/03/22 & 14/04/22 & 29/04/22)**

**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**

<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 a) tailored to council?	Yes to all		Standing Orders on website 25 <sup>th</sup> May 2021 Minutes item 14a

	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)	Yes to all	Annual Governance Statement Assertion 1	Financial Regulations on website 25 <sup>th</sup> May 2021 Minutes item 14b 7 <sup>th</sup> December 2021 Minutes item 14
1.3	Does the council a) give grants? b) have a grant-awarding policy?	a) No b) No	<b>Recommend</b> Council considers adopting a Grants Policy	Clerk confirmed there is no Grants Policy and no Grants given in 2021/22 Cashbook
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Annual Governance Statement Assertion 2 & 3	1 <sup>st</sup> February 2022 Minutes item 12
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	Annual Governance Statement Assertion 3	Code of Conduct on website dated 5 <sup>th</sup> May 2020

## 2. Finance

Ref	Test	Meets	Internal Auditor's comments/recommendations	Evidence
-----	------	-------	---	----------

		reqmts? Yes, No or N/A		
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	Not adopted.
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) No but b) Yes	Previously held GPoC so no separate listing for S137 maintained. Recommend a separate listing is maintained whilst council is without GPoC.  Annual Governance Statement Assertion 1 & 3	Advised by Clerk.
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	No	<b>Recommend</b> Council reviews the list of direct debits and standing orders, as per financial regulation 6.7.  Annual Governance Statement Assertion 1	Reviewed all minutes on website. DDs for NEST and HMRC listed on the Cashbook.
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	No petty cash  Annual Governance Statement Assertion 1	Advised by Clerk
2.5	Is all expenditure	Yes		Sample transactions

	supported by VAT invoices, if applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	a) Yes b) Yes	Annual Governance Statement Assertion 1	Cashbook report shows the VAT element of payments. Cashbook recorded reclaim from HMRC dated 22/04/21 for 2020/21

### 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 to all but	<b>Recommend</b> Council reviews the insurance cover to ensure it remains fit for purpose  Annual Governance Statement Assertion 5	Insurance Policy on website Insurance Policy renewal minuted 25 <sup>th</sup> May 2021 item 13b
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	No	<b>Recommend</b> Council adopts a Risk Management Policy which is renewed annually  Annual Governance Statement Assertion 5	Checked Policies on website and advised by Clerk.
3.3	Asset register a) reviewed regularly?	a) No but b) Yes	Clerk advises that Asset Register due to be reviewed as part of end of year process. <b>Recommend</b> Asset Register includes Purchase	Asset Register on website Reviewed all minutes on website for date of last review.

	(Objective H) b) published on website? (Objective L)		Date, possibly Insurance Value if this differs from Purchase Cost.  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)	No to all	<b>Recommend</b> that Council routinely inspects its assets for safety and risk, otherwise Council is open to an insurance claim if a member of public becomes injured due to a Council asset in disrepair.  Annual Governance Statement Assertion 5	Advised by Clerk that assets are not inspected
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 to all	<b>Recommend</b> that Council schedules at least one internal control check per year.  <b>Council will be unable to confirm that it meets the Annual Governance Statement Assertion 2</b>	Advised by Clerk that no internal control checks taken place during 2021/22
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	All meetings, for example: 6 <sup>th</sup> April 2021 Minutes item 8b 3 <sup>rd</sup> August 2021 Minutes item 10b 5 <sup>th</sup> October 2021 Minutes item 9b

3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	No to all	Council has no investments <b>Recommend</b> that Council reviews the bank mandate annually to ensure fit for purpose, as per Financial Regulation 5.1  Annual Governance Statement Assertion 1	Advised by Clerk
3.8	If bank cards in use, are proper procedures in place? (Objective B)	Yes	Pre-payment Pockit card limit £100  Annual Governance Statement Assertion 1	7 <sup>th</sup> December 2021 Minutes item 12 Financial Regulations on website paragraph 6.18.
3.9	Are a) physical records secure? b) electronic records backed up?	a) Yes b) Yes	Annual Governance Statement Assertion 5	Advised by Clerk. Paper records stored securely and electronic records stored in 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) No c) No	<b>a) Recommend</b> that draft budget uses actual totals for previous years rather than the budgeted sum so that Council has accurate information to determine the proposed budget. <b>b) &amp; c) Recommend</b> Council minutes that the budget as per the appendix was adopted. The Minutes state that a draft budget was	Full Council minutes 07/01/20 item 11d

			discussed but there is no resolution.	
			Annual Governance Statement Assertion 1	
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? (Objective D)	Yes to all	Annual Governance Statement Assertion 1	6 <sup>th</sup> April 2021 Minutes item 7 Earmarked Reserves report Receipts & Payments report 2020/21
4.3	Was the precept demand for the year under review properly minuted in full council?	Yes		Full Council minutes 07/01/20 item 11d
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 to all	Annual Governance Statement Assertion 1	7 <sup>th</sup> September 2021 Minutes item 11b 1 <sup>st</sup> February 2022 Minutes item 9b
4.5	Are any significant variances from budget reported?	N/A	Annual Governance Statement Assertion 2	Review of minutes on website, no variances reported.

## 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 employment?	Yes but	<b>Recommend</b> the contract for current clerk is reviewed as it states the pension is LGPS whilst the Council's nominated pension provider is NEST.  Annual Governance Statement Assertion 3	Contract of employment
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes but	<b>Recommend</b> Council reviews the working from home allowance; the unreceipted amount permitted by HMRC is £6 per week (£312 per year which is £26 per month). <b>Recommend</b> Council minutes that the salary scale increased to SCP23 following successful completion of CiLCA in December 2021. <b>Recommend</b> Council reviews the Contract of Employment which appoints at SCP 22 but quoted an annual salary that calculates at SCP 24.  Annual Governance Statement Assertion 1	Payslip December 2021
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 to all		Payroll is outsourced to PATA P32 report February 2022
5.4	Are Councillor's allowances and	Yes		Clerk advised no allowances paid; expenses are approved as part of the payment schedule



	expenses properly authorised & controlled, if any?		Annual Governance Statement Assertion 1	at meetings, eg Minutes 01/02/22 Appendix 2
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	a) Yes b) No but	<b>Recommend</b> Council minute the pension scheme offered to members of staff, perhaps as part of the recruitment process or confirmation of terms and conditions of employment.  Annual Governance Statement Assertion 3	Pension Scheme details included in Contract of Employment
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with Pension Regulator been reviewed (required every 3 years)	Unknown	Every 3 years SOTPC (as employer) has to make a compliance declaration to the Pensions Regulator, regardless of staff not taking up a workplace pension. <b>Recommend</b> Council reviews its obligations by visiting the website <a href="https://www.thepensionsregulator.gov.uk/en/employers/new-employers">https://www.thepensionsregulator.gov.uk/en/employers/new-employers</a>  Annual Governance Statement Assertion 3	Clerk advises that auto enrolment re-declaration of compliance has not been carried out during 2021/22.

## 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? <a href="#">(Objective J)</a>	N/A	Annual Governance Statement Assertion 1	Receipts & Payments reporting used, confirmed by Annual Return and financial statements on website
6.2	Does Council as a whole consider the year-end accounts in addition to 6.5? <a href="#">(Objective J)</a>	Yes	Annual Governance Statement Assertion 1	25 <sup>th</sup> May 2021 Minutes item 12a
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) <a href="#">(Objective K)</a>	N/A	Annual Governance Statement Assertion 1	Annual Return on website Turnover more than £25,000
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole	Yes		25 <sup>th</sup> May 2021 Minutes item 12c

	council (with separate minute number from Section 2 below)?		Annual Governance Statement Assertion 3	
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	25 <sup>th</sup> May 2021 Minutes item 12d
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Yes	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	25 <sup>th</sup> May 2021 Minutes item 12e Public Rights notice on website
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	25 <sup>th</sup> May 2021 Minutes item 12b
6.9	Previous external audit report (for councils with turnover over	Yes		7 <sup>th</sup> September 2021 Minutes item 11d

£25,000) reviewed by council and action taken where recommended?	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	3 <sup>rd</sup> August 2021 Minutes item 11a Data Protection Policy on website
7.2	Is the Council a Managing Trustee?	N/A	Not a Managing Trustee Annual Governance Statement Assertion 9	Advised by Clerk
7.3	Do trustees meet at least once a year and publish separate accounts? (Objective O)	N/A	Annual Governance Statement Assertion 9	
7.4	Website Accessibility Statement on website home page?	Yes	<b>Recommend</b> that the Website Accessibility Statement is available from all pages of the website, eg in the header or footer so that it will be visible regardless of where the visitor arrives at the website. Annual Governance Statement Assertion 3	Website

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	1 <sup>st</sup> February 2022 Minutes item 17
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	Clerk advises there is no burial ground

## 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	Yes to all	Annual Governance Statement Assertion 3	DPIs on the agenda for every meeting, for example: 5 <sup>th</sup> April 2021 Minutes 3 <sup>rd</sup> August 2021 Minutes 7 <sup>th</sup> December 2021 Minutes  February 2022 Draft Minutes on website (viewed 15/04/22)  Signed minutes: 25 <sup>th</sup> May 2021 7 <sup>th</sup> September 2021 5 <sup>th</sup> October 2021

	signed?			
8.2	List of members' responsibilities (Objective L) and interests held and published on the website?	a) Yes b) No but	Register of interests are available from Monitoring Officer at Tewkesbury Borough Council and this information is provided on the website  Annual Governance Statement Assertion 3	Website
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	Agendas on website, for example 1 <sup>st</sup> February 2022 5 <sup>th</sup> October 2021
8.4	Summons issued in proper format?	Yes	Annual Governance Statement Assertion 3	Agendas on website, for example 1 <sup>st</sup> February 2022 5 <sup>th</sup> October 2021