WICKWAR PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: Mary Leonard

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;	Y		Adopted May 2021 13.05.21 viewed online 30/04/22

	a) tailored to council? b) reviewed using the most recent version? c) minuted?	Y Y	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)	Y Y Y	Annual Governance Statement Assertion 1	May 2021 13.05.21 Viewed online 30/04/22
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Y Y		Viewed policy online 30/04/22 Adopted March 2020 review May 2022
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Y	Annual Governance Statement Assertion 2 & 3	Viewed quotes for Prestige and Howes
1.5	Code of conduct reviewed in the last 2/3 years?	Y	Annual Governance Statement Assertion 3	Adopted May 2019 review May 2022

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	Annual Governance Statement Assertion 3	Clerk confirmed 05/05/21
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)	 Y Y	Annual Governance Statement Assertion 1 & 3	2021/22 total £8149.68; spend £6137.00 spent clerk confirmed.
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Y	Annual Governance Statement Assertion 1	May 21 25.05.21 Minute viewed online 05/05/22
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	Annual Governance Statement Assertion 1	Clerk confirmed 05/05/21
2.5	Is all expenditure supported by VAT	Y		Reviewed selection of invoices online

	invoices, if applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Y	Annual Governance Statement Assertion 1	2021/22 claimed and received May 2022

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)	Y Y	Annual Governance Statement Assertion 5	Minute May 21 29.05.21 Minute May 21 16.05.21 and 17.05.21
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Y Y	Annual Governance Statement Assertion 5	Adopted April 2021 next review May 2022
3.3	Asset register a) reviewed regularly? (Objective H)	Y	Recommend that an up-to-date Asset Register is displayed on the website.	May Minute 16.05.21. Annual review

	b) published on website? (Objective L)	N	Recommend that Asset Register is reviewed once a year and in line with the insurance renewal and completion of the AGAR Annual Governance Statement Assertion 5	Can only find 2020/21 Asset Register on the website. Clerk sent copy of 2021/22
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	Y Y Y	I recommend that this is renamed and that the minutes reflects what is checked. Recommend that the Risk Policy is reviewed annually to ensure that it is still managing the current level of risks Annual Governance Statement Assertion 5	Play inspection checklist is also the Asset Register checklist. Clerk advises reviewed Risk Policy reviewed annually in May but cannot find a minute to evidence this.
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standing Orders (Objective B)	N N N	Recommend that the Internal controls are minuted by the council	Clerk confirms that these are carried out but no evidence of the checks or review by the council. Vice Chair checks but there is not a minute of council receiving his reports
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Y	Recommend that the bank reconciliation are attached to the minutes so that it is clear what has been noted. Annual Governance Statement Assertion 1	September Minute 23.09.21; June and July reconciliation Financial regs 2.2 bank reconciliations should be quarterly.
3.7	Review of a) investments?	Y		September minute notes the amounts held in each account and the total.

	b) bank mandates (signatories on bank accounts)? (Objective B/C)	Y	Annual Governance Statement Assertion 1	October minute 23.10.21 new signatory added
3.8	If bank cards in use, are proper procedures in place? (Objective B)	N/A	Annual Governance Statement Assertion 1	Clerk confirmed
3.9	Are a) physical records secure? b) electronic records backed up?	Y Y	Annual Governance Statement Assertion 5	Cemetery Records kept at the Town hall Records stored in the cloud. Retention Policy in place.

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)	Y Y Y	Annual Governance Statement Assertion 1	Minute January 2021 21.01.211
4.2	Were the earmarked objectives of the	Y		July 21 minute 29.07.21

	reserves identified, if any? (Objective D)		Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	Y Y		Minute January 21 22.01.21
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)	Y Y	Annual Governance Statement Assertion 1	Regular reviews: July 21 reviewed report as at end of May 21. Minute 28.07.21. December 21 reviewed report as at end of October 21. Minute 22.12.21
4.5	Are any significant variances from budget reported?	N/A	Annual Governance Statement Assertion 2	Nothing showing in the minutes

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?	Y	Annual Governance Statement Assertion 3	New Clerk contract resolved in 19th January 2022 meeting
5.2	Do salaries paid agree with those	N	Recommend that the council review staff payments and perhaps consider outsourcing	Jan 22 minute 51b22 salary point 22.

	approved by Council? (Objective G)		Annual Governance Statement Assertion 1	On review of the payslip the Clerk appears to be underpaying herself
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)	Y Y		PAYE BASIC Tools. Viewed record of PAYE and NI
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Partly	Recommend that the council adopts an expenses policy. Clerk needs to highlight when payments are being made if no original decision taken and confirm authorisation under Financial regs 4. Annual Governance Statement Assertion 1	Expenses reclaimed. Receipts in place but no evidence of prior authorisation to spend
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	 Y Y	Annual Governance Statement Assertion 3	January 2022 5.1b.22 This minute refers to the contract. Contract viewed online. Minute confirms the contract
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment	Y Y		Auto-enrolment renewal March 23

	registration with Pension Regulator been reviewed (required every 3 years)		Annual Governance Statement Assertion 3	

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	Annual Governance Statement Assertion 1	
6.2	Does Council as a whole consider the year-end accounts in addition to 6.5? (Objective J)	Y	Annual Governance Statement Assertion 1	Minute June 21 9.06.21
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for	N/A		

	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)?	Y	Annual Governance Statement Assertion 3	Minute June 21 11.06.21
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council (with separate minute number from Section 1 above)?	Y	Annual Governance Statement Assertion 3	June 21 minute 12.06.21
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	Y	Annual Governance Statement Assertion 3	Viewed online 30/04/22
6.7	Did council correctly provide for the exercise of public rights? (Objective M)	Y	Annual Governance Statement Assertion 4	14/06/21 June 21 minutes

6.8	Previous internal audit report reviewed by council and action taken where recommended?	Y	Recommend that both the audit report for 21 and 22 are reviewed and all recommendations actioned. Annual Governance Statement Assertion 7	Minutes June 2021 9.06.21 There are outstanding items from the 21 Audit not yet actioned on Risks Inspection, Asset Management and Trustee accounts
6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Y	Annual Governance Statement Assertion 7	Minute October 21 22.10.21

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?	Y	Annual Governance Statement Assertion 3	Adopted May 21
7.2	Is the Council a Managing Trustee?	Y	Annual Governance Statement Assertion 9	
7.3	Do trustees meet at least once a year	N	Recommend that the Trusts accounts are separated from the parish council's accounts	Note from the new Clerk

	and publish separate accounts? (Objective O)		without further delay as per the January 2022 resolution. Annual Governance Statement Assertion 9	"Re the KGV trust Rachel has taken advice and done a lot of research and at the January 2022 meeting an amount was reported and approved that should be transferred into a separate bank account in the trust's name. In the changeover of clerks this has not yet happened. The trustees have not met separately from full council meetings in the past year. The minute from January's meeting is 8.5.01.22. Following my meeting with Rachel I am going to take advice from SLCC about our asset register and AGAR." Resolution January 22 to transfer the funds.
7.4	Website Accessibility Statement on website home page?	Y	Annual Governance Statement Assertion 3	Viewed 30/04/22
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Y	Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 6	Minute Feb 2022 7.2.22
7.6	Are registers up to date for council-owned burial grounds (if any) and purchase of Exclusive Rights of Burials certificate completed?	Y	Annual Governance Statement Assertion 3	Monday 11th October 2021 Keith White Plot 23A £100 fee cremation Friday 15th October 2021 Alan Chappell Plot 256 £200 fee Cheques credited to bank account on 23/11/21 Viewed over zoom

8. Procedures

Ref	Test	Meets reqmts? Yes, No, 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?	Y Y Y	Recommend that the council undergoes training on the legislation surrounding the Code of Conduct and Disclosable Pecuniary Interests. Annual Governance Statement Assertion 3.	A regular agenda item. However, on review of February 2022 minutes I am concerned that a Councillor declared an interest in a planning application as it was his property. The minutes then demonstrate that he is commenting on the same application asking for the council to support it. This is a serious breach of the Code of Conduct as the interest is a Disclosable Pecuniary Interest (DPI) and could be a criminal offence. The Councillor should have left the room and taken no part in the discussion.
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	Y Y	Annual Governance Statement Assertion 3	Viewed on website
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Y	Annual Governance Statement Assertion 3	Viewed online May 2022 30/04/22
8.4	Summons issued in proper format?	Y	I would recommend the full address of the meeting place is included in the agenda Annual Governance Statement Assertion 3	Viewed online 30/04 22

Recommendations

Good controls in place. A stressful time for the new Clerk to take over the council and see through the audit.

I have the following recommendations to make:

1. Reviews of assets are covered in the Play inspection report. I recommend that this report should be renamed so that it accurately reflects what is under review and the minute can reflect this.
2. I recommend that the Risk Policy is reviewed annually to ensure that it is still fit for purpose and covers current risks.
3. I recommend that the internal controls review is reviewed by council and a minute noted to evidence that this has been carried out.
4. Recommend that the bank reconciliation is attached to the minutes so that it is clear what council has noted.
5. Recommend that full details of a quote are minuted such as date of quote, ref and amount so that a record of the full decision is made.
6. I recommend that the Code of Conduct is reviewed annually or at the very least in the year of election.
7. I recommend that the council reviews it current Staff payments as the Clerk is currently being paid less than the contracted rate of pay. Perhaps consideration of outsourcing the payroll would help with this.
8. I recommend that the new Clerk takes advice on the Trust and clarifies if there is a separate Trust or not. This was also a recommendation last year and needs to be carried out as a matter of some urgency.