



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

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? | Y | | Viewed online 05/03/23. Updated August 2022 adopted Sept 2022 2022 version. checked 3 f & g and 21 |

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| | b) reviewed using the most recent version? c) minuted? | Y Y | Annual Governance Statement Assertion 1 | 31, September 2022 minute 9 |
| 1.2 | Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B) | Y Y Y | I recommend that the version of the Financial Regulations is indicated on the front of the adopted version. Annual Governance Statement Assertion 1 | Viewed online 5/03/23. July 2022 Reviewed July 2022 July 2022 minute 10 |
| 1.3 | Does the council a) give grants? b) have a grant-awarding policy? | Y Y | Recommend that the date of adoption and review are included on the policy document | Viewed policy online 05/03/23 Policy reviewed May 2022 minute 10 No grants awarded in 2022/23 |
| 1.4 | Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations? | Y | Annual Governance Statement Assertion 2 & 3 | No new contracts. |
| 1.5 | Code of conduct reviewed in the last 2/3 years? | Y | Annual Governance Statement Assertion 3 | Code of Conduct reviewed July 2022 Minute 10 |

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 this |
| 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) | N N/A | Recommend that the council reviews Powers when taking action. Recommend that the council is aware of the Section 137 limit for the year and that S137 is identified separately in the accounts. Annual Governance Statement Assertion 1 & 3 | £8.81 . Clerk was not sure of the section 137 limits or the Powers needed to be able to rake action Send list of Powers No grants issued in 2022/23. |
| 2.3 | Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B) | Y | Annual Governance Statement Assertion 1 | May 2022 minute 5 CO payment only |
| 2.4 | Was Petty Cash expenditure approved, if any? (Objective F) | No | Annual Governance Statement Assertion 1 | Checked accounts 09/03/2023 |

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| 2.5 | Is all expenditure supported by VAT invoices, if applicable? (Objective B) | Y | Annual Governance Statement Assertion 1 | Viewed a sample. |
| 2.6 | VAT – a) recorded in accounts b) reclaimed? (Objective B) | Y Y | Recommend annual reclaim minimum reclaim i1 £100 Annual Governance Statement Assertion 1 | Last claim Feb 2022 covering the period up to March 2021. Vat awaiting reclaim is £1211.42. Clerk having trouble with the Gateway access code |

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 Y | Annual Governance Statement Assertion 5 | Policy schedule 30/05/22. Reviewed and minuted May 2022 Minute 9.2b Asset Register reviewed ahead of insurance review. Reviewed Policy schedule 05/03/23 |
| 3.2 | Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C) | Y Y | Annual Governance Statement Assertion 5 | Reviewed initiated May 2022 adopted July 2022 |
| 3.3 | Asset register | Y | | Reviewed May 2022 Minute 2 a |

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| | a) reviewed regularly? (Objective H) b) published on website? (Objective L) | Y | Annual Governance Statement Assertion 5 | Viewed on website 05/03/23 |
| 3.4 | Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C) | Y Y Y | Annual Governance Statement Assertion 5 | November 2022 minute 1 and 11 January 2023 minute 7 |
| 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 minutes accurately reflect the actions and refer to the internal controls. Recommend that the council review Financial regs 51.1 and ensure that payments being made in line with them Annual Governance Statement Assertion 2 | Viewed a selection of minutes. Taking place not reflected in minutes. Payments are not being made in accordance with Financial regs 5.2 no payment schedule. |
| 3.6 | Bank reconciliations are on agenda to be considered by Council? (Objective I) | N | Recommend that the council carries out a quarterly bank reconciliation as per Financial Regs Annual Governance Statement Assertion 1 | Viewed a selection of minutes. Financial regs 2.2 state that the Bank reconciliation should be reviewed by council quarterly. |

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| 3.7 | Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C) | Y Y | Annual Governance Statement Assertion 1 | Reviewed May 2022 minute 3 Reviewed and amended May 2022 Minute 3 inline with staffing changes |
| 3.8 | If bank cards in use, are proper procedures in place? (Objective B) | N/A | Annual Governance Statement Assertion 1 | Clerk confirmed no bank card |
| 3.9 | Are a) physical records secure? b) electronic records backed up? | Y Y | Annual Governance Statement Assertion 5 | Hard copy records at home locked. Backed up to drop box |

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 | Recommend that the adopted t budget is attached to the minutes. Recommend that the budget and precept are resolved separately. Recommend that the details of the precept are recorded, eg amount, increase etc | January 2022 minute 8 Budget and precept resolved as one issue. No budget attached to the minutes and the amount of the precept is not minuted so no record of what was resolved. Previous clerk. Done correctly for 2023/24 |

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| | | | Annual Governance Statement Assertion 1 | |
| 4.2 | <p>a) Were the earmarked objectives of the reserves identified in the budget, if any?</p> <p>b) Were the general reserves reasonable? (Objective D)</p> | <p>N</p> <p>Y</p> | <p>Recommend that the earmarked reserves are identified and update would make sent to do quarterly with bank reconciliation</p> <p>Annual Governance Statement Assertion 1</p> | <p>2022/23 budget on web site. View 05/03/23. General reserve forecasted to be £8874 at the end of 2021/22. Net revenue Ex £11849 .</p> |
| 4.3 | Was the precept demand for the year under review properly minuted in full council? | Y | | See comments under 4.1 |
| 4.4 | <p>Did the council</p> <p>a) regularly compare budget vs spend (as detailed in the financial regulations)</p> <p>b) and evidenced in the minutes? (Objective D)</p> | <p>N</p> <p>N</p> | <p>Recommend that the council review the budget and spend quarterly as per Financial Regulations section 4.8</p> <p>Annual Governance Statement Assertion 1</p> | <p>No evidence in the minutes . Checked July 22. Sept 22 and Nov 22</p> |
| 4.5 | Are any significant variances from budget reported? | N | Annual Governance Statement Assertion 2 | No evidence 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 Recommend that this should have taken place in a closed session | Clerk only employee. Viewed contract dated April 2022. Contract approved in May 2022 meeting/ |
| 5.2 | Do salaries paid agree with those approved by Council? (Objective G) | Y | Recommend the minute should reflect the salary scale. " it was agreed that the Clerk would be paid on NLAC SCP scale ? from date" Annual Governance Statement Assertion 1 | Salary scale not recorded in the minutes May 2022. January payslip shows 60 hours at £12.28. This equates to LC1 SCP 10 Contract states that pay will be bi monthly. |
| 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 | | Payroll is administered by PATAS payroll |
| 5.4 | Are Councillor's allowances and expenses properly authorised & controlled, if any? | N | Annual Governance Statement Assertion 1 | Clerk confirmed. Checked accounts 09/03/23 |
| 5.5 | Pension provision – eligible employees | | | |

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| | a) offered pension scheme? b) outcome minuted? | Y Y | Annual Governance Statement Assertion 3 | May Minute confirms pension was offered and declined. |
| 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) | Y N/A | Annual Governance Statement Assertion 3 | Meeting July 2020 - Minute 13 Agreed to register in July 2020 Due in July 2023 |

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 & | N/A | | |

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| | Expenditure reporting? (Objective J) | | 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 | Would recommend that the year end accounts are signed off before the completion of the AGAR statement Annual Governance Statement Assertion 1 | May 2022 minute 8.1 |
| 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) | Y | Annual Governance Statement Assertion 1 | For the year 2021/22 May 2022 minute . Not yet done for 2022/23 |
| 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 May 2022 7.2 |
| 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 | Minute May 2022 7.3 |

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| 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 on website 7/03/23 |
| 6.7 | Did council correctly provide for the exercise of public rights? (Objective M) | Y | Recommend that the dates for the period of exercise of public rights in 2021 are also reported to council and minuted. Annual Governance Statement Assertion 4 | May 2022 minute 7.5 |
| 6.8 | Previous internal audit report reviewed by council and action taken where recommended? | Y | Annual Governance Statement Assertion 7 | Minute May 2022 7.1 |
| 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 | Exemption applied for as under £25,000 |

7. Other matters

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
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| 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 | Policy dated August 2022 Minute Sept 2022 minute 9 |
| 7.2 | Is the Council a Managing Trustee? | N | Annual Governance Statement Assertion 9 | Confirmed 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? | Y | Annual Governance Statement Assertion 3 | Viewed on website 07/03/23 |
| 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 | Sept 2022 Minute 7 |
| 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 | No burial ground |
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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? | Y Y | Annual Governance Statement Assertion 3 | Regular agenda item January minutes on website 07/03/2023 |
| 8.2 | List of members' responsibilities (Objective L) and interests held and published on the website? | N/A Y | Annual Governance Statement Assertion 3 | No specific responsibilities. Viewed on website 07/03/23 |
| 8.3 | Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L) | Y | Annual Governance Statement Assertion 3 | Next meeting 16/03/23 agenda should be posted by Friday 10 th March 2023. Agenda sent to councillors 08/03/23 and on notice board |

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| 8.4 | Summons issued in proper format? | Y | Annual Governance Statement Assertion 3 | |
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Comments

New Clerk in position a good level of understanding of the requirements.

I would recommend that payments are done as schedule as per the financial regs and all statutory and contractual payments agreed annually so that payments can be made between meetings and clearly sated as such.

I would recommend that the minutes reflect the actions and clearly reflect of a review of budget, bank reconciliation has taken place. With out a minute there is no evidence.

Council needs to review the Transparency code and ensure all details are made available on the website.