



BOURTON-ON-THE-WATER PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2023
Name of Auditor: Liz Dowie

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	Yes		a)Website, Governance Standing Orders

	council? b) reviewed using the most recent version? c) minuted?	Yes Yes	 Annual Governance Statement Assertion 1	b)&c)Minutes 8 th June 2022 – 22/064 Minutes 2 nd August 2022 – 22/114.7
1.2	Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B)	Yes Yes No	Reviewed by F&GP Committee in January 2023 and approved by Full Council in February 2023. Annual Governance Statement Assertion 1	a)Website, Financial Regulations b)Draft minutes F&GP 26 th January 2023 – 9 c)Draft minutes FC 1 st February 2023 - 22/307.1
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes Yes		Grants policy Schedule of grants awarded Minutes 7 th September 2022 – 22/141.2 Minutes 7 th December 2022 – 22/240.4
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Noise reduction scheme for MUGA £5,995.73 Repair of dry stone wall £680.00 Lightning conductor remedial works Insurance – 3 quotes Village Maintenance Contract – advertised on Contract Finder website Annual Governance Statement Assertion 2 & 3	Minutes 19 th May 2022 – 22/055 Minutes 8 th June 2022 – 22/058 Minutes 8 th June 2022 – 22/061 & quotations Minutes 7 th Sept 2022 – 22/140 Minutes 5 th October 2022 – 22/22/166 Minutes 13 th December 2022 – 22/261
1.5	Code of conduct reviewed in the last 2/3 years?	Yes	 Annual Governance Statement Assertion 3	Minutes 6 th July 2022 – 22/090

2. Finance

[illegible]

2.5	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	Yes	Annual Governance Statement Assertion 1	Sampling exercise
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes Yes	Annual Governance Statement Assertion 1	a)Scribe reports b)Q1 return - net claim £675.26 F&GP 21 st July 2022 - 5 Q2 return – net claim £2,387.75 FC 5 th October 2022 – 22/172.3

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 Yes, but see comments	BHIB Policy no LCO02761 w.e.f. 8 th Nov 2022 Cover reviewed at renewal and following revaluation of GMCC, but not fully minuted. Recommend that it is recorded in the minutes at each annual review that the cover is still considered fit for purpose. Annual Governance Statement Assertion 5	Insurance schedule Minutes 7 th Sept 2022 22/140
3.2	Copy of Risk Management policy a) adopted? b) reviewed	Yes Yes		a)&b) Minutes - 8 th June 2022 - 22/063.2a

	annually by Council? (Objective C)		Annual Governance Statement Assertion 5	
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	Yes	<p>a) Routine annual review carried out. Also updated insurance values following revaluation of Community Centre.</p> <p>b) Land assets published on website</p> <p>Annual Governance Statement Assertion 5</p>	<p>a) Asset Register Minutes 6th July 2022 – 22/091 Minutes 5th October 2022 – 22/173</p> <p>b) Website, Land Asset Register</p>
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)		<p>Risk Assessment document includes a schedule setting out the frequency and timing of all inspections.</p> <p>Village Green churchyard and cemetery carried out annually in October by VEC committee.</p> <p>GMCC annually in April</p> <p>Play areas inspected weekly by independent contractor. Kompan carries out quarterly inspections which includes annual ROSPA inspection.</p> <p>All actions are recorded in the minutes of the relevant committee and actions reported to Full Council as necessary.</p> <p>Annual Governance Statement Assertion 5</p>	<p>a)&b) Minutes Y&W 8th Aug 2022 item 4g 10th Oct 2022 item 4 14th Nov 2022 item 5 Minutes GMCC 28th April 2022 item 6 Minutes VEC 16th Nov 2022 item 8a</p> <p>c) Minutes FC 4th May 2022 item 23/038 2nd Nov 2022 item 22/197</p>
3.5	Evidence that internal controls a) take place? b) are documented?	Yes Yes	Quarterly internal control checks carried out by two nominated councillors and completed checklists / findings are presented to F&GP Committee.	<p>a)b)&c) Completed checklists for Q1, Q2 and Q3 Minutes F&GP 3rd November 2022 – 8 26th January 2023 - 8</p>

	c) minuted? as per Council's Financial Regulations/Standin g Orders (Objective B)	Yes		
			Annual Governance Statement Assertion 2	
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Routine agenda item Checking of bank reconciliations is included in the internal control checklist, but bank statements are not currently initialled. This had already been identified and discussed at F&GP committee. Due to be implemented from April 2023. Annual Governance Statement Assertion 1	Agendas Internal control checklists Bank reconciliations Bank statements Minutes F&GP 26 th January 2023 item 9b
3.7	a)Review of investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	Yes but see comments Yes	a)Investments are routinely reviewed by F&GP Committee and recommendations made to Full Council. The investment in the CCLA Public Sector Deposit Fund is not in line with paragraph 4 of the Investment Policy which states that the Council's reserves are covered by the Financial Services Compensation Scheme. Recommend that Council formally ratifies the decision to make this investment or updates the Investment Policy. Annual Governance Statement Assertion 1	a)Minutes FC 8 th June 2022 – 22/063 Minutes F&GP 28 th April 2022 – 10b Investment Policy b)Minutes 4 th May 2022 – 22/034
3.8	If bank cards in use, are proper procedures in place? (Objective B)	Yes	Multipay card in use. Card held securely in safe. All expenditure approved in the same way as invoices. Annual Governance Statement Assertion 1	Discussion with Clerk Sample of transactions.
3.9	Are a) physical records secure?	Yes	Paper records stored in fireproof safe. Computerised records backed up to Cloud and on	Risk Assessment document Discussion with Clerk

	b) electronic records backed up?	Yes	hard drive kept off site. Annual Governance Statement Assertion 5	
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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 Yes Yes	Annual Governance Statement Assertion 1	a) Budget document b)&c) Minutes 10 th January 2022 - 3
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 Yes	Identified on Scribe and updated reports presented to Council monthly. General reserves minimum of 50% of precept. Annual Governance Statement Assertion 1	a) Scribe Reserves Report b) Earmarked and general reserves April 2022
4.3	Was the precept demand for the year under review properly minuted in	Yes		Minutes 10 th January 2022 - 4

	full council?			
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 Yes	Routine agenda item Annual Governance Statement Assertion 1	Minutes of Full Council meetings
4.5	Are any significant variances from budget reported?	Yes	Funding of unbudgeted items is generally discussed in advance and virements made as necessary. Annual Governance Statement Assertion 2	Minutes F&GP and Full Council

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	Annual Governance Statement Assertion 3	Staff contracts for all staff
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Yes	Annual Governance Statement Assertion 1	January 2023 payslips Letters to staff dated 21 st November 2022 confirming annual salary award
5.3	Has Council a) registered as an employer with HMRC?	Yes	Payroll outsourced to Imaginative Solutions	RTI Full Payment Submission for Feb 2023

	b) have PAYE / NIC been properly dealt with (including year-end procedures)? (Objective G)	Yes		
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?		No allowances paid. Minor expenditure authorised in same way as invoices and included on payments list approved by Full Council Annual Governance Statement Assertion 1	Discussion with Clerk
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes Yes	Registered with NEST Staff offered pension scheme but outcome is not routinely minuted. Recommend that this is done through the Staffing Committee in future. Annual Governance Statement Assertion 3	Minutes May 2016 16/016 Minutes 7 th September 2022 – 22/144.3
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)	Yes Yes	Auto-enrolment admin is carried out by payroll provider. 3 year review was carried out in January 2023 Annual Governance Statement Assertion 3	a)&b)Letter from Pension Regulator confirming re-declaration of compliance dated 24/1/23

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)	Yes, but see comments under 6.2	Annual Governance Statement Assertion 1	Scribe Balance Sheet
6.2	Does Council as a whole consider the year-end accounts in addition to 6.5? (Objective J)	No	Council receives the year end Summary Report generated by Scribe but does not formally approve the year end figures before approving the AGAR Accounting Statements. Recommend that the Income and Expenditure Statement and Balance Sheet available on Scribe are approved under a separate agenda item before approval of the AGAR. Annual Governance Statement Assertion 1	Scribe reports Discussion with Clerk
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)	N/A	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	Minutes 4 th May 2022 – 22/032.2
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 4 th May 2022 – 22/032.3
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, AGAR and Accounts
6.7	Did council correctly provide for the exercise of public rights? (Objective M)		Period for exercise of public rights for 2021/22 set for 13 th June to 22 nd July 2022. Annual Governance Statement Assertion 4	Notice of Public Rights – website Minutes 4 th May 2022 – 22/032.4
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Yes	Majority of recommendations implemented. Repeats under sections 6.2 and 7.5 Annual Governance Statement Assertion 7	Minutes FC 2 nd March 2022 – 22/218d 4 th May 2022 - 22/032.1

6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	Minutes Full Council 7 th September 2022 22/144
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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	Privacy Policy and Data Protection Policy in place. Data Protection Policy appears to cover staff, volunteers, contractors. Recommend that this is amended to include councillors. Annual Governance Statement Assertion 3	Website, Privacy Policy Data Protection Policy
7.2	Is the Council a Managing Trustee?	No	Annual Governance Statement Assertion 9	
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	Yes		Website, Accessibility Statement

	Statement on website home page?		Annual Governance Statement Assertion 3	
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes, but see comments	Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them Annual Governance Statement Assertion 6	Minutes 2 nd November 2022 – 22/202.5q
7.6	Are registers up to date for council-owned burial grounds (if any) and purchase of Exclusive Rights of Burials certificate completed?	Yes	Burial records now on Scribe Annual Governance Statement Assertion 3	Burials register Scribe records and copy ERB for: Orchard 21/10/22 Taylor 24/11/22 Handy 12/12/22

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	Yes Yes	a)Routine agenda item. Due to oversight this was omitted from the agendas of the June and July 2022 meetings but interest was declared as appropriate later at the June meeting.	a)Agendas Minutes 8 th June 2022 – 22/062 b)Draft minutes – 1 st February 2023

	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?	Yes	Annual Governance Statement Assertion 3	c)Minutes – Sept 2022 – Dec 2022
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	Yes Yes	Annual Governance Statement Assertion 3	Website, Councillor profiles
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	Agendas
8.4	Summons issued in proper format?	Yes	Annual Governance Statement Assertion 3	Agendas