



BUSHLEY 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?	No		a) 2018 latest version (with minor amendments in 2022) b) & c) Not reviewed

	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)	No	Annual Governance Statement Assertion 1	a) Most recent 2019 version b) & c) Not reviewed
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Yes but No but		a) Not in 21/22 b) No official policy but pro forma application
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?	Yes	Annual Governance Statement Assertion 3	Seen and reviewed 2021

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)	No	Clerk is aware that there should be a separate column in the cashbook and limit also needs to be stated on cashbook Annual Governance Statement Assertion 1 & 3	Cashbook
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	N/A	Annual Governance Statement Assertion 1	No SO's or DD's held
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	Annual Governance Statement Assertion 1	No Petty Cash
2.5	Is all expenditure	Yes		Transaction checklist

	supported by VAT invoices, if applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Yes	Annual Governance Statement Assertion 1	a) Cashbook b) Reclaim appears in accounts

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	Insurance cover should be checked before renewal, to confirm that it is still fit for purpose, and minuted. Annual Governance Statement Assertion 5	a) Policy viewed b) Cover only checked informally and not minuted.
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	No	Clerk aware that a Policy is needed and should be addressed as a priority Annual Governance Statement Assertion 5	Discussion with Clerk
3.3	Asset register a) reviewed	Yes		a) Reviewed 18/05/2021 b) Website

	regularly? (Objective H) b) published on website? (Objective L)		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)	Yes	Annual Governance Statement Assertion 5	a) b) & c) 19/10/21 Item 10) Councillors have different parts of the parish to look after and report problems in meeting under "Councillor's Reports" and any actions to be taken
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standing Orders (Objective B)	Yes but No No	The Internal controls must be put on a formal basis with signed documentation and minuted, at least every three months. Annual Governance Statement Assertion 2	Done on an informal basis.
3.6	Bank reconciliations are on agenda to be considered by Council? (Objective I)	Yes	Annual Governance Statement Assertion 1	30/11/2021 7a) 11/01/2022 7b)
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)?	N/A Yes but	Annual Governance Statement Assertion 1	a) No investments held b) Reviewed during year when Clerk changed but not minuted.

	(Objective B/C)			
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?	No	Clerk made aware that all items should be stored in fireproof locked container and backup is a necessity Annual Governance Statement Assertion 5	a) Items held in Clerk's home b) Laptop password protected but no backup

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 No No	Discussed but not properly minuted. Clerk is aware that budget discussions should be minuted including the adoption of budget. Copy of adopted budget should be placed on website. Annual Governance Statement Assertion 1	Budget
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if	a) N/A b) No	There were no earmarked reserves as the final balance was £110 in 20/21. Recommend, as a priority, Council needs to consider its financial position as there are no reserves. Council should have general reserves of	Cashbook AGAR

	any? b) Were the general reserves reasonable? (Objective D)		between 3 and 12 months of expenditure to cover emergencies or unexpected expenditure. Annual Governance Statement Assertion 1	
4.3	Was the precept demand for the year under review properly minuted in full council?	No	Recommend that actual amount is minuted	12/01/2021 13 b) No precept amount minuted
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	30/11/2021 7a) 11/01/2022 7b)
4.5	Are any significant variances from budget reported?	N/A	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 employment?	Yes	Annual Governance Statement Assertion 3	Contract viewed
5.2	Do salaries paid	Yes		On bank statement

	agree with those approved by Council? (Objective G)		Annual Governance Statement Assertion 1	
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	Recommend that council uses the services of a payroll provider, such as PATA (pataglos.org.uk)	Payslip
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	N/A	Annual Governance Statement Assertion 1	
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	No	All employees must be offered a pension formally by letter and the outcome minuted. Annual Governance Statement Assertion 3	Discussion with Clerk
5.6	Is Council a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment	No	All employers in the UK, even those with just one employee, must register with the Pension Regulator even if the employee is not eligible for a pension. Look at this link: https://www.thepensionsregulator.gov.uk/en/employers/new-employers/im-an-employer-who-doesnt-have-to-provide-a-pension-now	Present and previous Clerk had both spoken to Pension Regulator and been informed that no action including registration was required, but the law is that all employers must be registered.

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 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)	No	Year-end accounts should be presented to council and minuted. Annual Governance Statement Assertion 1	No evidence in minutes.
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a	No	Council must confirm that it is eligible for the Certificate of Exemption and minute this	Certificate of Exemption as part of AGAR on website

	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	24/08/2021 3b)
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	24/082021 3c)
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)	No	No record could be found and not placed on website. Recommend that the dates for the period of exercise of public rights are also reported to council and minuted. Annual Governance Statement Assertion 4	Website Minutes
6.8	Previous internal	Yes		24/08/2021 7)

	audit report reviewed by council and action taken where recommended?		Annual Governance Statement Assertion 7	
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	Turnover under £25,000

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?	No	Clerk is aware and Council should ensure that policies compliant with GDPR are presented to Council, approved and reviewed on a regular basis. These actions should be minuted. Annual Governance Statement Assertion 3	Discussion with Clerk
7.2	Is the Council a Managing Trustee?	No	Council is not a Managing Trustee 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?	Yes	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	12/04/2022 7 v) Competence of Internal Auditor was mentioned but not independence.
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 grounds

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	a) & b) Yes c) No	Clerk is aware that all minutes needs to be initialled on each page and final page signed	a) & b) 30/11/2021 3) & 11/01/2022 3) c) Minutes viewed

	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?		Annual Governance Statement Assertion 3	
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	No	List of member's responsibilities must be on the website to conform with the Transparency Code and registers of interests held must be placed on the website to comply with the Localism Act Annual Governance Statement Assertion 3	Discussion with Clerk List of members' responsibilities is kept by Clerk.
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Annual Governance Statement Assertion 3	11/01/2022 08/03/2022
8.4	Summons issued in proper format?	No	Clerk is aware that Councillors must be summoned to meetings to comply with legislation Annual Governance Statement Assertion 3	11/01/2022 08/03/2022