

Mollington Parish Council

Internal Auditor's Report for year ended

31-Mar-21

Date of Appointment of Internal Auditor

31/01/2020

Date(s) of Internal Audit

04-Feb-21

09-Feb-21

19-Feb-21

Hours

0.5

1.5

1

1 Working Documents

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
1.1	Have Standing Orders been tailored and formally adopted? AB 7.23 LGA, Sch 12, para 42 and AB 19.9 LGA 1972, s135	Y	Based on NALC model Standing Orders 2018	
1.2	Have Standing Orders been reviewed and minuted? Best practice to review as least bi annually or when there is a significant change to the council and its business.	Y	Last reviewed May 2019/APCM not held in 2020 due to Covid 19 pandemic and following UK Government guidance/legal permission for Virtual meetings - minuted under 946 page 1 24 Mar 2020.	
1.3	Have Financial Regulations been tailored to the council and formally adopted?	Y	Based on NALC model Financial Regulations 2014 and tailored	
1.4	Have Financial Regulations been reviewed and minuted?	Y	May 2019 last reviewed and ideally would be reviewed annually. It would be good practice to review all elements in square brackets to ensure they meet the Parish councils needs.	
1.5	Does the Council have a grant awarding policy?	NA	This has been a conscious decision.	

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
1.6	Have items/services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations (Large Councils)	NA		
1.7	Evidence that council maintains an adequate and effective system of financial control. Including risk management and that it is reviewed by the full council annually.	Y		
1.8	Public land and Building Assets	Y	Confirmed by email - own both land and a building. PC are 'Holding Trustees' of the Village Hall and Trustees own the building. Several pockets of land; 2 Play / Community areas, Village Green and a few verges. All on Asset Register.	
1.9	Code of Conduct adopted by resolution of full council?	Y	26 May 2016 and published on website.	

2 Administration

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
2.1	Does the Council have the General Power of Competence and if so when was it adopted/minute number?	NA	The parish Council does not qualify for GPC	
2.2	Is there a separate account for s 137 payments?	Y	There is not a separate account but neither are grants awarded under this power.	
2.3	Councils authorisation of Direct Debit list and Standing Orders			

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
2.4	Was the precept demand properly minuted ?	Y	Minute 994 page 2 of 6 on 26 Jan 2021	
2.5	Was Petty Cash expenditure approved?	NA	No petty cash held.	
2.6	Is all expenditure supported by VAT invoices - if applicable?	Y	July and Dec invoices checked.	
2.7	VAT - recorded and paid/reclaimed properly?	Y		
2.8	Loans	NA	No loans held	

3 Risk Management

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
3.1	Insurance	Y	Seen on 19th Feb	
3.2	Insurance - evidence of review of cover	Y	Seen on 19th Feb	
3.3	Copy of Risk Management Policy/statement seen?	Yes	Oct-20	
3.4	Asset Register seen and up to date?	Y	Min 994 - 26 Jan 2021	
3.5	Evidence that assets have been inspected for risk?	Y		
3.6	Review of Investment, including bank accounts?	Y	Reserves and bank accounts reported on at every meeting of the Full Council	
3.7	Is 'two councillor signatures' rule applied to payments applied to electronic payments made by internet banking?	Y	Financial Regs 6.9	
3.8	If credit/debit/prepaid cards in use - are proper procedures in place?	Y	Financial Regs 6.18/6.19/6.20	
3.9	Electronic and physical records backed up	Y	Financial Regs 6.13	

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
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4 Budgetary Controls

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
4.1	Was a budget adopted and minuted?	Y	Min 994 - 26 Jan 2021 on page 2 of 6.	
4.2	Were the objectives of the reserves identified?	y	Min 994 - 26 Jan 2021 on page 2 of 6.	
4.3	Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations.	y	Min 994 - 26 Jan 2021 on page 2 of 6.	
4.4	Are any significant unexplained variances from the budget minuted?	y	Min 994 - 26 Jan 2021 on page 2 of 6.	

5 Payroll

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
5.1	Do all staff have a contract of employment?	Y	Seen - 19th Feb 2021	
5.2	Do salaries paid agree with those approved by council?	Y		
5.3	Has the council registered as an employer with HMRC and have PAYE/NIC been properly dealt with (including year-end procedures)?	Y	Payment evidenced under minute 994 26 Jan 21 - Page 2 of 6.	
5.4	Minimum wage paid?	Y		

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
5.5	Are councillor's allowances and expenses properly authorised & controlled (Large Councils)	NA		
5.6	Pension provision - an audit trail.	NA		

6 Year End Procedures

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
6.1	Bank Reconciliation - (a) Bank statements seen? (b) RFO's reconciliation?	Y	Jan 2021 Bank Rec and Bank Statement seen	
6.2	Where appropriate debtors and creditors properly recorded? (large Councils)	NA		
6.3	Council as a whole to consider the year end accounts	Y	Evidenced from Minute number 949/May 2020	
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25k)	Y	Evidenced from Minute number 952/May 2020	
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole council?	Y	Evidenced from Minute number 952/May 2020	
6.6	Previous internal audit - action taken where recommended? Internal audit page published on website (mandatory for councils with turnover under £25k)	Y	Published for 2019-20	
6.7	Previous external audit - action taken where recommended?	Y	Exempt for 2019-20	

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
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7 Other Matters

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
7.1	Registered with ICO?	Y	Not registered but clearly demonstrated that this has been discussed and decided on using NALC/GDPR Toolkit.	
7.2	Is the Council a Managing Trustee	Y	Confirmed by email PC are 'Holding Trustees' of the Village Hall and Trustees own the building.	
7.3	Website Accessibility Statement	Y	Checked on http://www.mollingtonoxon-pc.gov.uk/	

8 Procedures

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
8.1	Minutes - declarations of interest. AB 7.16/LGA 1972 Sch 12, para 40.	Y	Every agenda/minutes	
8.2	Minutes - generally /AB 7.37 /LGA 1972, Sch 12, para 41(1) The minutes are in a book kept for the purpose and that the pages are consecutively numbered.	Y	Seen 19/02/2021	
8.3	Minutes initialled on each page and final page signed?	Y	Seen 19/02/2021	
8.4	Compliance and Transparency Code/guidance?	Y		
8.5	List of Member Interests held?	Y		

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8.6	Were books made upto date?	Y		
8.7	Agendas signed and displayed 3 clear days' prior to meeting (i.e. not including date of issue/date of meeting/weekend/bank holidays)	Y	Confirmed by Clerk on 19th February	
8.8	Summons issued in proper format?	Y	This was not happening but has now been addressed with effect from March 2021.	
8.9	Delegated authority?	Y		

9 Sampling

Ref	Test	Meets Requirement	Internal Auditor Comments	For Council Use
9.1	Is income properly recorded and promptly banked?	Y		
9.2	Audit trail	Y		