



**Blockley PARISH/TOWN COUNCIL**  
**Internal auditor's report for the year ended 31 March 2023**  
**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**

<b>Ref</b>	<b>Test</b>	<b>Meets reqmts? Yes, No or N/A</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Evidence</b>
1.1	Have Standing Orders been a) tailored to council?	Y		

	b) reviewed using the most recent version? c) minuted?	Y	Annual Governance Statement Assertion 1	Section 18 was updated in April 22 May 2022 minute 10.9
1.2	Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B)	Y Y Y	Annual Governance Statement Assertion 1	viewed online 11/05/23 based on Nalc 2019 May 2022 minute 10.8
1.3	Does the council a) give grants? b) have a grant-awarding policy?	Y Y		April 22 04.2022 /9.3
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Y	Annual Governance Statement Assertion 2 & 3	Invoices checked and a sample of minutes.
1.5	Code of conduct reviewed in the last 2/3 years?	Y	Annual Governance Statement Assertion 3	Minute ref: 04.2022/10.1

## 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)	Y  Y	Annual Governance Statement Assertion 1 & 3	Section 137 amount Spend £1990.64 Limit £4000 Electors 8.82
2.3	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Y	Annual Governance Statement Assertion 1	No Standing Orders April 22 minute 8
2.4	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	Annual Governance Statement Assertion 1	Clerk confirmed checked transactions as well
2.5	Is all expenditure supported by VAT	Y	Recommend that the payment list is included or attached to minutes in line with Financial regs. This was also identified in 2021/22.	Viewed a selection of Invoices. Payment list is not attached to minutes. This was a recommendation in 2021/22

	invoices, if applicable? (Objective B)		Annual Governance Statement Assertion 1	
2.6	VAT – a) recorded in accounts b) reclaimed? (Objective B)	Y Y	Annual Governance Statement Assertion 1	15.05.23 to cover period 01.01.23 – 31.03.23

### 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	Recommend that an asset review and risk management review is carried out ahead of insurance renewal.  Annual Governance Statement Assertion 5	Asset Register and Risk Management review not taken place.  Clerk confirmed that this has taken place in May 23 for 2023/24
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	Y Y	Recommend that the Risk Policy has a review sheet and has measurable targets and a date of next review. This was also recommended in the 2021/22 audit and not yet actioned.  Annual Governance Statement Assertion 5	<b>Risk assessment Policy adopted April 2022 ref 8.4.</b>  A basic policy has been adopted but no monitoring sheet included or date of next review.
3.3	Asset register			

	a) reviewed regularly? (Objective H) b) published on website? (Objective L)	Y  N	Recommend the most up to date Asset register is made available on the website. This was also picked up in 2021/22 Annual Governance Statement Assertion 5	<b>Reviewed May 2022 minute 10.3</b>  <b>Asset Register for 2019/20 on website</b>
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	N  N  N	<b>Recommend</b> a more comprehensive central inspection schedule is maintained for the council's assets. This was also recommend in 2021/22 but not yet actioned.  Recommend that the council reviews Practitioner Guide 2022 on how to assess and report risk.  Annual Governance Statement Assertion 5	May 22 BPC minute ref 10.3 (please see my answer to no 28) This minute approves the asset list as part of the governance statement for 2021/22. I can see no other review or inspection of assets for 2022/23
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per Council's Financial Regulations/Standin g Orders (Objective B)	N  N  N	Repeat the 2021/22 recommendation that internal controls are put in place and reviewed and minuted by council.  Annual Governance Statement Assertion 2	2021/22 <b>Recommend</b> council minutes that the internal controls checks have been carried out.
3.6	Bank reconciliations are on agenda to be considered by Council?	Y	Recommend that a clear minute is made evidencing the review of the budget reports and thge4 bank reconciliations.	Recommend that the minute reflects the action and mentions bank reconciliation in the wording and not just a review of financial reports.

	(Objective I)		Annual Governance Statement Assertion 1	May 23 March 23 bank reconciliation reviewed
3.7	Review of a) investments? b) bank mandates (signatories on bank accounts)? (Objective B/C)	N Y	Recommend that this is reviewed and minuted by council even if this is party of bank reconciliation.  Annual Governance Statement Assertion 1	As part of bank recs  Mandates updated in 2022 but no minute
3.8	If bank cards in use, are proper procedures in place? (Objective B)	Y	Annual Governance Statement Assertion 1	Financial Regulations paragraph 23.5d Debit card transactions are visible on bank statements
3.9	Are a) physical records secure? b) electronic records backed up?	Y Y	Annual Governance Statement Assertion 5	Paper records filed in office – locked cupboards and office and archives in locked room. Computer records all backed up on Microsoft 365 and by our IT provider Cloudy IT

#### 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?	Y		November 2021 minute 8.3

	b) adopted? c) minuted? (Objective D)	Y Y	Annual Governance Statement Assertion 1	
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? (Objective D)	N Y	Recommend that the reserves are earmarked and reviewed in line with the Joint Panel on Accountability and Governance 2022 (JPAG)  Annual Governance Statement Assertion 1	March 23 £65,971.69 Precept is £113,300
4.3	Was the precept demand for the year under review properly minuted in full council?	Y	Recommend that the minute reflects the details of the resolution and records the amount of the precept	January 2022 minute 9.3
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	<b>2021/22 Recommend</b> that council compare budget vs spend on a quarterly basis.  I recommend the above from 2021/22 is now actioned and the minute clearly reflects the review of budget against actual spend.  Annual Governance Statement Assertion 1	February 22 8.1 Financial reports circulated ahead of the meeting, but the minute does not reflect the action.

4.5	Are any significant variances from budget reported?	N	See 4,4 above Annual Governance Statement Assertion 2	No evidence found reviewed a variety of minutes
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## 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	Viewed Nicola Scotts contract and Stephen Woods Nicola commenced May 22
5.2	Do salaries paid agree with those approved by Council? (Objective G)	Y	Annual Governance Statement Assertion 1	Contract stses LC2 SCP 26 £16.10 24 hours May 22 Gross £1674.40 Nal minute Nov 22 Viewed Dec 2022 payslip
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		Viewed for HMRC and payment on schedule for HMRC Sept 2022
5.4	Are Councillor's allowances and expenses properly authorised & controlled, if any?	Y	Recommend an expenses policy that detail the allowances that can be claimed.  Annual Governance Statement Assertion 1	Councillors receive allowances. Agreed April 22 8.5  Covered by Financial regs 29.1 -29.3

5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Y  Y	Annual Governance Statement Assertion 3	No minute for Clerk  May 2023 minute covers the maintenance officer. 8.6 confirms nest
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)	N/K  N/K	Recommended in 2021/22 Every 3 years BPC (as employer) has to make a compliance declaration to the Pensions Regulator, regardless of staff not taking up a workplace pension. <b>Recommend</b> Council reviews its obligations by visiting the website <a href="https://www.thepensionsregulator.gov.uk/en/employers/new-employers">https://www.thepensionsregulator.gov.uk/en/employers/new-employers</a>  The above recommendation has been repeated as an urgent recommendation to be actioned immediately.  Annual Governance Statement Assertion 3	No evidence provided to confirm this matter.

## 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)	N	2021/22 <b>Recommend</b> that council approve the year-end accounts prior to approving the annual return; a year-end balance sheet would be suitable for this purpose.  Last year's recommendation not yet carried out. Recommend that this is actioned going forward.  Annual Governance Statement Assertion 1	April minute 8.3 does not cover this  Clerk will do this in June 23 for 2022/23.
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000)	N/A	Annual Governance Statement Assertion 1	

	(Objective K)			
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	May 2022 10.5
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	May 2022 10.6
6.6	Are all sections of the Annual Governance & Accountability Return published on the website? (Objective L/N)	N	Public rights are on website twice along with section 1 and 2 of the Agar on the website. In 2021/22 the following recommendation was made Sections 1 and 2 are on website, however council is required to publish all sections including the internal audit page. <b>Recommend</b> website is updated. Recommend that all parts of the AGAR are published on the website .  Annual Governance Statement Assertion 3	Internal audit part of Agar not on the website . The conclusion of audit under this title is the public rights notice.
6.7	Did council correctly provide for the	Y	Recommend that the dates for the period of exercise of public rights in 2021 are also reported to council and minuted.	Viewed on website 11/05/22

	exercise of public rights? (Objective M)		Annual Governance Statement Assertion 4	
6.8	Previous internal audit report reviewed by council and action taken where recommended?	Y	Recommend that the council review all recommendations in the audit  Annual Governance Statement Assertion 7	Reviewed in May 2022 minute 10.2 However a many of the recommendations from 2021/22 have not yet been actioned.
6.9	Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended?	N	Recommend that the External Audit Report is reviewed and actions minuted by council.  Annual Governance Statement Assertion 7	Not on website. No minute to show council reviewed the external audit.

## 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?	N	Recommend that there is a GDPR policy for the public  Annual Governance Statement Assertion 3	Policy in place for staff and contractors
7.2	Is the Council a Managing Trustee?	N		

			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 Statement on website home page?	N	Recommend that there is a link to the Accessibility statement from the home page of the website  Annual Governance Statement Assertion 3	There is an Accessibility statement in policies but not on the home page of the website
7.5	Did council formally appoint GAPTC as the Internal Auditor?	N	Recommend that the Council appoints the Auditor in future.  Recommend that Council confirms that the Internal Auditor is competent and independent of Council when appointing them. Annual Governance Statement Assertion 6	Clerk appointed not discussed by council under delegated Powers
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	Viewed Ethel Larner 27/11/.22 Molly Hitchman 22/02/23

## 8. Procedures

Ref	Test	Meets reqmts?	Internal Auditor's comments	Evidence
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		Yes, No or N/A		
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	Annual Governance Statement Assertion 3	Agenda item  Link to the Cotswold website
8.2	List of members' a) responsibilities (Objective L) and b) interests held and published on the website?	Y	Annual Governance Statement Assertion 3	Committee details are on website
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	N	Recommend that the agendas are signed  Annual Governance Statement Assertion 3	Viewed the May 18 <sup>th</sup> agenda . This is not signed or dated.
8.4	Summons issued in proper format?	Y	2021/22 <b>Recommend</b> against having <i>Any Other Business</i> as an agenda item; the summons specifies the business proposed to be transacted at the meeting. AOB can lead council to act ultra-vires in error. See Local Government Act 1972, schedule 12 Part 2, paragraph 10 (2)	Includes the summons viewed May 2023 Viewed January 2023

			<p>Any other business is still included on the agenda. Recommend that this is reviewed.</p> <p>Annual Governance Statement Assertion 3</p>	
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New Clerk and Finance lead May 2022

### **Review and Recommendations**

I note that there is a new Clerk and Councillor for Financial lead for 2021/22. The Clerk is not CILCA qualified and is endeavoring to understand all the council legislation to ensure the council is compliant. Recommend that the Clerk and council attend relevant training on Finance to ensure compliance.

Council to review Financial Regulations and ensure that all expenditure has been made as a decision of council and can be evidenced by a Minute ahead of the decision on payments.

Expense claimed by councillors must have already been agreed as expenditure before the payment is made to the councillor.

Council to ensure it knows which Powers that it is making the payments under.

Council to ensure that it is making payments in line with Financial Regulations 23.2 and a payments list is provided and attached or included in the minutes.

Recommend that the Risk Management Policy has a review sheet and a clear system of monitoring takes place.

Recommend that a system of inspecting all council assets is put in place.

The Asset Register needs to be up to date and reviewed in line with Financial Regulations. This was also recommended in 2021/22.

Recommend that a regular inspection of the council's assets takes place, and this inspection is minuted.

Recommend that a system of Internal Controls takes place and is minuted by the council. This was also recommended in 2021/22.

Recommend that the council reviews its Reserves in line with the Joint Panel of Accountability and Governance (JPAG) 2022. Recommend that the council adopts a Reserves Policy.

Recommend that the council review the year-end accounts separately and ahead of completing the AGAR.

Recommend that the council urgently reviews the Pension Regulators legislation and confirms that it is compliant.

Recommend that the council review the External Audit and that this is minuted and also placed on the website.

Recommend that the Internal Audit AGAR is displayed on the website

Recommend that the council reviews and action Internal audit report and agrees a course of action to look at the recommendations and implement them.

Recommend that the agendas are signed by the Clerk.

Recommend that an accessibility Statement is included on the website.