

SANDHURST PARISH COUNCIL.  
Internal auditor's report for the year ended 31 March 2018  
Date of appointment of Internal Auditor: 2018  
Date of Internal Audit: 16<sup>th</sup> May 2018 (full)

**1. Working documents**

| Ref | Test   | Meets requirements? | Internal Auditor's comments | For use by Council |
|-----|--|---------------------|-----------------------------|--------------------|
| 1.1 | Have Standing Orders been tailored and formally adopted?   | YES                 |                             |                    |
| 1.2 | Have Standing Orders been reviewed and minuted?  | YES                 |                             |                    |
| 1.3 | Have Financial Regulations been tailored to council and formally adopted?                          | YES                 |                             |                    |
| 1.4 | Have Financial regulations been reviewed and minuted?  | YES                 |                             |                    |
| 1.5 | Does the council have a grant awarding policy?   | NOT SEEN            |                             |                    |
| 1.6 | Have items / services above the recommended amount been competitively purchased in accordance with | N/A                 |                             |                    |

|     |   |     |  |  |
|-----|---|-----|--|--|
|     | Financial and Procurement Regulations? (LARGE COUNCILS)   |     |  |  |
| 1.7 | Evidence that council maintains an adequate & effective system of internal control, including risk management and that it is reviewed by full council annually? | YES |  |  |
| 1.8 | Public land and building assets   | N/A |  |  |
| 1.9 | Code of conduct adopted by resolution of full council?  | YES |  |  |
| 2.  | <b>ADMIN</b>  |     |  |  |
| 2.1 | Has the General Power of Competence been adopted? Eg a minute reference   | NO  |  |  |
| 2.2 | Is there a separate account for s.137 payments?   | YES |  |  |
| 2.3 | Councils authorisation of Direct Debit list and Standing Orders.  | N/A |  |  |
| 2.4 | Was the precept   | YES |  |  |

|     |                                      |     |  |  |
|-----|--------------------------------------|-----|--|--|
|     | demand properly minuted?             |     |  |  |
| 2.5 | Was Petty Cash expenditure approved? | N/A |  |  |

| Ref | Test   | Meets requirements? | Internal Auditor's comments | For use by Council |
|-----|--|---------------------|-----------------------------|--------------------|
| 2.6 | Cash   |                     |                             |                    |
| 2.7 | Is all expenditure supported by VAT invoices, if applicable? | YES                 |                             |                    |
| 2.8 | VAT - recorded and paid / reclaimed properly?                | YES                 |                             |                    |
| 2.9 | Loans  | N/A                 |                             |                    |
| 3.  | <b>RISK MANAGEMENT</b>                                       |                     |                             |                    |
| 3.1 | Insurance  | YES                 |                             |                    |
| 3.2 | Insurance – evidence of review of cover                      | YES                 |                             |                    |
| 3.3 | Copy of Risk Management policy / statement seen?             | YES                 |                             |                    |
| 3.4 | Asset register seen and up to date?                          | YES                 |                             |                    |
| 3.5 | Evidence that assets have been inspected for risk            | YES                 |                             |                    |

|     |   |     |  |  |
|-----|---|-----|--|--|
| 3.6 | Review of investments, including bank accounts                                    | YES |  |  |
| 3.7 | Is 'two councillor signatures' rule applied to payments made by internet banking? | N/A |  |  |
| 3.8 | If credit / debit / prepaid cards in use, are proper procedures in place?         | N/A |  |  |
| 3.9 | Electronic and physical records backed up   | YES |  |  |

#### 4. Budgetary controls

| Ref | Test   | Meets requirements? | Internal Auditor's comments | For use by Council |
|-----|--|---------------------|-----------------------------|--------------------|
| 4.1 | Was a budget adopted and minuted?  | YES                 |                             |                    |
| 4.2 | Were the objectives of the reserves identified?  | YES                 |                             |                    |
| 4.3 | Did the council regularly compare the actual income and expenditure to the budget? As detailed in the financial regulations. | YES                 |                             |                    |
| 4.4 | Are any significant  | NONE                |                             |                    |

|  |  |  |  |  |
|--|--|--|--|--|
|  | unexplained<br>variances from<br>budget minuted? |  |  |  |
|--|--|--|--|--|

## 5. Payroll

| Ref | Test  | Meets<br>requirements? | Internal Auditor's comments | For use by Council |
|-----|---|------------------------|-----------------------------|--------------------|
| 5.1 | Do all staff have a contract of employment?   | YES                    |                             |                    |
| 5.2 | Do salaries paid agree with those approved by Council?  | YES                    |                             |                    |
| 5.3 | Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)? | YES                    |                             |                    |
| 5.4 | Minimum wage paid?  | YES                    |                             |                    |
| 5.5 | Are Councillor's allowances and expenses properly authorised & controlled (LARGE COUNCILS)  | N/A                    |                             |                    |
| 5.6 | Pension provision – an audit trail  | YES                    |                             |                    |

## 6. Year-end procedures

| Ref | Test   | Meets requirements? | Internal Auditor's comments   | For use by Council |
|-----|--|---------------------|---|--------------------|
| 6.1 | Bank reconciliation:<br>- (a) Original bank statement(s) seen?<br>- (b) RFO's reconciliation?  | YES                 |   |                    |
| 6.2 | Where appropriate, debtors and creditors properly recorded? (LARGE ONLY)   | N/A                 |   |                    |
| 6.3 | Council as a whole to consider the year-end accounts   | YES                 |   |                    |
| 6.4 | Annual Governance Statement, section 1 of Annual Return, approved by whole council and published on website (mandatory for councils with turnover under £25,000) | YES                 | Statement for 2016/17 not published on website, but statement for previous year published.<br>Council should ensure that all Statements are published as soon as practicable after approval |                    |
| 6.5 | Annual Statement of Accounts, section 2 of Annual Return, approved by whole council  | YES                 | Statement for 2016/17 not published on website, but statement for previous year published.<br>Council should ensure that all Statements are published as soon as practicable after approval |                    |
| 6.6 | Previous internal audit – action taken where   | YES                 |   |                    |

|     |   |     |  |  |
|-----|---|-----|--|--|
|     | recommended?<br>Internal Audit page published on website (mandatory for councils with turnover under £25,000) | NO  | Page not published on website – Council should ensure that this is done promptly in future |  |
| 6.7 | Previous external audit – action taken where recommended?   | YES |  |  |

## 7. Other matters

| Ref | Test                              | Meets requirements? | Internal Auditor's comments | For use by Council |
|-----|-----------------------------------|---------------------|-----------------------------|--------------------|
| 7.1 | Registered with ICO?              | YES                 |                             |                    |
| 7.2 | Is the Council a Managing Trustee | NO                  |                             |                    |

|     |   |           |  |  |
|-----|---|-----------|--|--|
| 8   | <b>PROCEDURES</b>                                     |           |  |  |
| 8.1 | Minutes – declarations of interest                    | YES       |  |  |
| 8.2 | Minutes generally                                     | YES       |  |  |
| 8.3 | Minutes initialled on each page and final page signed |           | Minutes signed on last page but not initialled on each page                                  |  |
| 8.4 | Compliance with Transparency Code/guidance?           | NOT FULLY | Payments over £100 not published<br>Latest copies of some statements/documents not published |  |
| 8.5 | List of members' interests held?                      | YES       |  |  |
| 8.6 | Were books made                                       | YES       |  |  |

|     |  |     |  |  |
|-----|--|-----|--|--|
|     | up to date?                                      |     |  |  |
| 8.7 | Agendas signed and displayed 3 clear days' prior | YES |  |  |
| 8.8 | Summons issued in proper format?                 | YES |  |  |
| 8.9 | Delegated authority                              | YES |  |  |

|     |  |                     |                             |                    |
|-----|--|---------------------|-----------------------------|--------------------|
| 9   | <b>SAMPLING</b>                                  | Meets requirements? | Internal Auditor's comments | For use by Council |
| 9.1 | Is income properly recorded and promptly banked? | YES                 |                             |                    |
| 9.2 | Audit trail                                      | YES                 |                             |                    |