

COTSWOLD CONSERVATION BOARD
Internal auditor's report for the year ended 31 March 2020
Date of Internal Audit: March (carried out remotely)
Name of Auditor: Janet Eustace

AGENDA ITEM 6 APPENDIX A

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 Board 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 Board and are competent to be able to carry out the requirements of the internal audit service.

1. Working documents

Ref	Test	Meets reqmts ? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
1.1	Have Standing Orders been tailored to Board and formally adopted?	Y	CCB has a constitution. This is regularly reviewed by the Board.	Minutes of Board meetings
1.2	Have Standing Orders been reviewed and minuted?	Y	Last reviewed at June 2019 Board meeting	Minutes of the June 2019 Board meeting
1.3	Have Financial Regulations been tailored to Board and formally adopted?	Y	Minute B2.16 records decision at the June Board meeting. That Minute was approved at the December Board Meeting.	Minutes of June and December Board meetings
1.4	Have Financial regulations been	Y	Minute B2.16 records the discussion at June Board meeting. That Minute was approved at the December	Minutes of the June and December Board meetings.

	reviewed and minuted?		Board at Minute B3.4.	
1.5	Does the Board have a grant awarding policy?	Y	Two grant systems - Sustainable Development Fund and Caring for the Cotswolds. Policies for both in place dated March 2020.	Copies on CCB website
1.6	Have items / services above the recommended amount been competitively purchased in accordance with Financial and Procurement Regulations? (LARGE BODIES)		Main service purchased in the financial year was a new telephony service. The Office Manager emailed to me copies of quotes and supporting paperwork and I can confirm that the organisations followed the procedures as set out in the Constitution.	Emailed documentation provided by the office Manager.
1.7	Code of conduct reviewed?	Y	Forms part of the Constitution which was reviewed and agreed at June 2019 Board meeting	Minutes of Board meeting

2. Admin

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)?	NA		
2.2	Is there a separate account for s.137 payments and within statutory limits?	NA		
2.3	Board authorisation of Direct Debit list and Standing Orders?	NA	The Board is not required to approve routine Direct Debits and Standing Orders. Such payments are authorised on initial set-up, in accordance with the standard delegation limits specified in Financial Regulations and reviewed annually when the budgets are reviewed.	Financial Regulations for part of the Constitution are on the website.

2.4	Was Petty Cash expenditure approved, if any?	Y	Detailed monitoring and recording systems are in place	Petty Cash Imprest Account reimbursement claim for period Jan 19 to Feb 20 was emailed to me.
2.5	Receipts issued for cash income?	Y	Very few cash payments received. Any cheques/cash received recorded in the Income Return Spreadsheet before being stored in an envelope in the safe. Receipts are then banked, and entries posted into Sage when the corresponding bank statement entries are matched.	Income Return Spreadsheet made available to auditor
2.6	Is all expenditure supported by VAT invoices, if applicable?	NA	Board is not registered for VAT	
2.7	VAT - recorded and paid / reclaimed properly?	NA	Board is not registered for VAT	
2.8	Purpose of loan and power identified, if applicable?	NA		

3. Risk management

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
3.1	Insurance policy in place?	Y	This expires 2020	Copy of insurance policy provided by email.
3.2	Evidence of review of insurance cover to ensure still fit for purpose?	Y	Review is underway at present and will go to the March Board meeting. NB this meeting now cancelled due to COVID-19 restrictions.	
3.3	Copy of Risk Management policy and Risk Assessment seen?	Y	Risk Management Policy and Risk Assessment both reviewed at February 2020 Board meeting.	Minutes of the Board Meeting.
3.4	Evidence that internal controls take place and are documented	Y	The Executive Committee meets five times a year and at each meeting reviews financial performance, quarterly reports on the business plan, fraud and	Minutes of Executive Committee meetings.

			corruption and other governance issues	
3.5	Asset register seen and reviewed regularly?	Y	Asset and Inventories Report considered at June 2019 Board meeting. Item B4.15	Minutes of Board meeting
3.6	Evidence that assets have been inspected for risk, reported in minutes and actions undertaken?	Y	Reviewed at Board meeting 26 March 2019.	Minutes of Board Meeting.
3.7	Review of investments, including bank accounts?	Y	Treasury Management Strategy reviewed by Board at February 2020 meeting.	Minutes of Board meeting.
3.8	Is 'two councillor signatures' rule applied for payment orders?	NA	The Board's Cash Book is on Sage50 proprietary software. It is maintained on a continuing basis. Only two people are authorised to input any transactions into Sage	In accordance with Section 3 of Constitution. NB No site visit was possible.
3.9	If credit / debit / prepaid cards in use, are proper procedures in place?	Y	The Board has 3 business credit cards attached to the Cotswold Conservation Board Business Credit Card Account. The credit balance is cleared to nil each month by automatic debit to the main bank account. Monthly statements are checked and reconciled to the corresponding receipts. The entries are then posted into Sage by the Finance and Admin Assistant and entries checked by the Office Manager.	Information provided by Finance Officer. No site visit was possible.
3.10	Electronic and physical records backed up?	Y	IT support services are in place	

4. Transparency Code

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
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4.1	Details of public land and building assets on website (if applicable)?	Y	Reviewed at March 2019 Board meeting	Minutes
4.2	Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)?	Y	It appears that this deadline is being met. Many minutes on the website are still marked as 'Draft' or 'unconfirmed'. Recommend that the status of the minutes should be updated following approval at the subsequent Board Meeting.	Minutes are on the we site
4.3	Compliance with Transparency Code for bodies with turnover of less than £25,000 and over £200,000?	Y	Financial information, key policies and other important information is on the website. Register of Interests not published. Board to consider whether Register should be on CCB website to increase transparency.	The website

5. Budgetary controls

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
5.1	Was a budget properly prepared, adopted and minuted?	Y	Agreed at the March 2019 Board meeting.	Minutes of Board meeting
5.2	Were the objectives of the reserves identified?	Y	Statement of Accounts 2018-2019 identify both earmarked reserves and restricted funds. Board meeting of June 2019 received a report on reserves at its June meeting 2019.	2018-2019 Accounts on website. Minutes of Board Meeting
5.3	Was the precept demand properly minuted at Board meeting?	NA		
5.4	Does Board regularly review bank reconciliations and reconcile them with	Y	The Chief Executive checks and signs the monthly bank reconciliation. The year-end reconciliation is also submitted to Board.	Copy of March 2019 reconciliation provided.

	the cash book?			
5.5	Did the Board regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes?	Y	An example of this is February Board Meeting where item 9 was a review of Quarter 3 expenditure against budget	Minutes of Board Meeting
5.6	Are any significant unexplained variances from budget reported?	Y	Item 9 of February Board meeting is example of Quarter 3 review against the Business Plan	Minutes of Board Meeting

6. Payroll

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
6.1	Do all staff have a contract of employment?	Y	Held by Publica at Cotswold District Council.	No contact made with Publica because of COVID 19 restrictions.
6.2	Do salaries paid agree with those approved by Board?	Y	Review of staff terms and conditions at Executive Cttee Meeting April 2019.	Minutes of Meeting.
6.3	Has the Board registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Y	Held by Publica at Cotswold District Council.	No contact made with Publica because of COVID 19 Restrictions.
6.4	Minimum wage paid?	Y		Executive Committee minutes.
6.5	Are Members' allowances and expenses properly authorised & controlled, if any?	Y	Members allowances are set out in the constitution and are agreed each year by Board. Publica make the payments in accordance with that schedule. Payments are approved by the Chief Executive before being	Constitution and Statement of Accounts on website. Minutes of meetings.

			passed to Publica for payment. The Office Manager checks, compiles and posts the final journal entries into Sage, when Publica provide their Month End Report and confirmation of Deduction and Net Pay totals. Total of Members Allowances published annually in statement of accounts	
6.6	Pension provision – eligible employees offered pension scheme and outcome minuted?	Y	The Board's confirmed policy is that all staff are members of the LGPS. It is managed by Publica at Cotswold District Council. The last triennial valuation of the pension fund valued the Board's share of the fund at £2,135,000, with a surplus against expected liabilities of £153,000.	Statement of Accounts 2018-2019 on website
6.7	Has auto-enrolment registration with Pension Regulator been reviewed (if applicable)		Managed by Publica at Cotswold District Council.	I have not checked these because of restrictions imposed by COVID-19

7. Year-end procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
7.1	Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting?	Y	Yes. Statement of Accounts 2018/2019	Balance Sheet within Statement of Accounts on website
7.2	Board as a whole to consider the year-end accounts?	Y	Annual Accounts, the AGAR and all supporting papers were approved at the Board Meeting on 25 June 2019.	Minutes of Board meetings
7.3	Annual Governance Statement, section 1 of	Y	See 7.2 above	

	Annual Return, approved by whole Board			
7.4	Annual Statement of Accounts, section 2 of Annual Return, approved by whole Board?	Y	See 7.2 above	
7.5	Are all sections of the Annual Governance & Accountability Return published on the website?	Y	On website under 'Corporate Documents and Reports'	Website
7.6	Previous internal audit report reviewed by council and action taken where recommended?	Y	Internal audit report to Board Agenda item 8 of meeting April 2019	Minutes of Board meeting
7.7	Previous external audit report (for bodies with turnover over £25,000) reviewed by council and action taken where recommended?	Y	Paper taken to December 2019 meeting of the Board	Minutes of Board meetings.

8. Other matters

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
8.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Members and for the public?	Y	Data Protection Policy July 2018 Certification runs to July 2020 Information security policy dated 2015 in place	Website

8.2	Is the Board a Managing Trustee?	N		
8.3	Do trustees meet at least once a year and publish separate accounts?	NA		
8.4	Did Board formally appoint GAPTC as the Internal Auditor?	Y	This was on the agenda for the March 2020 meeting. NB this was cancelled.	

9. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	For use by Council
9.1	Minutes – DPIs or other interests recorded?	Y	Each meeting has an item where Board members are required to declare their interests	Minutes of Board Meetings
9.2	Minutes initialled on each page and final page signed?		Originals not seen due to Covid 19 restrictions.	
9.3	List of members' interests held and published on the website?	N	District Council retains Register of Interests but it is not published on their or on the Board's website. Recommend that the Board consider publishing register of interests to increase transparency.	
9.5	Agendas signed and displayed 3 clear days' prior to meeting?	Y	Copies on website suggest that this is so.	Website
9.6	Summons issued in proper format?	Y	Constitution requires Chief Executive to give three clear days' notice, but Agendas are not dated so it is not possible to check. Recommend adding date of issue to	Website

agendas.

10. Sampling

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
10.1	Is income properly recorded and promptly banked and receipts issued for cash income?		Cash receipts are rare. Any cheques/cash received is recorded in the Income Return Spreadsheet before being stored in an envelope in the safe. Receipts are then banked, and entries posted into Sage when the corresponding bank statement entries are matched.	Copy of Income Return Spreadsheet provided to auditor.
10.2	Audit trail for selected sample transactions?	Y	Limited sampling only due to Covid 19 restrictions	
10.3	Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed?	NA		