



**COTSWOLD CONSERVATION BOARD  
COTSWOLD NATIONAL LANDSCAPE**

**Internal auditor's report for the year ended 31 March 2025**

**Name of Auditor: Janet Eustace**

**Completed 6 March with visit to the CNL Office on 4 March 2025**

**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 the Board reviews the AGS, the responses must reflect the AIAR report.**

## **1. CNL 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	Yes	Standing Orders are included within the organisations Constitution. The constitution was	

	a) tailored to CCB b) minuted?	No	<p>subject to a review during 2023/24 and a copy dated February 2024 is on the web site. However the auditor is unable to find any evidence that the board approved the Feb 2024 Constitution. <b>Recommended that the Constitution be adopted by the Board.</b></p> <p><b>There is no requirement to regularly review the Constitution. Recommended that the Board consider adopting a programme of regular review.</b></p> <p>Annual Governance Statement Assertion 1</p>	
1.2	Have Financial Regulations been a) tailored to CCB b) minuted? (Objective B)	Yes  No	<p>. Financial Regulations are included in the organisations Constitution.</p> <p>See comments and recommendation at 1.1 above.</p> <p>Annual Governance Statement Assertion 1</p>	
1.3	Does the CCB a) give grants?  b) have a grant-awarding policy?	Yes  Yes	<p>There is guidance on how to apply for grants which includes details of 'themes' that will be funded. Each scheme has a different set of policies. These are made available to applicants as required. A Panel (includes Board members). reviews applications for main grant stream.</p>	<p>Web site 'Caring for the Cotswold' grant scheme.</p> <p>Discussion with Head of Finance.</p>
1.4	Have items/ services been competitively purchased in accordance with Financial and/or	Yes	<p>Each F&amp; G receives reports of contracts let and waivers approved. Auditor has seen a copy of December 2024 report.</p> <p>Annual Governance Statement Assertion 2 &amp; 3</p>	Minutes of F&G Meetings

	Procurement Regulations?			
1.5	Code of conduct reviewed in the last 2/3 years?		<p>The Code of Conduct is included in the organisations Constitution. See comments above about the adoption of the Constitution.</p> <p><i>Note the Code of Governance document on web site dated 2014 is no longer relevant and is to be removed.</i></p> <p>Annual Governance Statement Assertion 3</p>	

## 2. Finance

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
2.1	Is there an annual Board authorisation of Direct Debit list and Standing Orders? (Objective B)		<p>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.</p> <p>Annual Governance Statement Assertion 1</p>	Discussion with the head of finance.
2.2	Was Petty Cash expenditure approved, if any? (Objective F)	NA	Annual Governance Statement Assertion 1	

2.3	Is all expenditure supported by VAT invoices, if applicable? (Objective B)	Yes	But note the organisation is not registered for VAT.  Annual Governance Statement Assertion 1	Auditor saw a sample of invoices on the Zero accounting system.
2.4	VAT – a) recorded in accounts b) reclaimed? (Objective B)	NA	Annual Governance Statement Assertion 1	

### 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	Currently provided by Zurich. Expires end of March 2024. Quotes obtained from two companies which F&GP twill consider. New Insurer to be appointed by end March 2025.  Annual Governance Statement Assertion 5	Zurich Policy seen by the Auditor.  Discussion with the Head of Finance.
3.2	Copy of Risk Management policy a) adopted? b) reviewed annually by Board? (Objective C)	Yes Yes	The Finance and Governance Committee has a standing item on risk and receives the updated Risk Management Framework at each meeting. Full Board also receives these reports. Auditor has seen copies of Feb 2025 papers.  Annual Governance Statement Assertion 5	Finance meeting 11 Feb 2025 and 20 Feb 2025 Board Meeting (although minutes are not yet published).

3.3	Asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	Yes  No	<p>Complete review of assets undertaken in Jan2025. Assets: office equipment, machinery and vehicles.</p> <p>Asset register is not on the web site. Vehicles and equipment stored in barns etc presents a security risk. <b>Recommend that consideration be given to publishing a list of assets without locations.</b></p> <p>Annual Governance Statement Assertion 5</p>	Asset register seen by the Auditor.
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	Yes  NA Yes	<p>Head Warden is responsible for ensuring vehicles are maintained and also for smaller items of equipment. Takes action as required.</p> <p>Office staff (mostly working remotely) are given H&amp;S guidance on using IT.</p> <p>Annual Governance Statement Assertion 5</p>	
3.5	Evidence that internal controls a) take place? b) are documented? c) minuted? as per CCB Financial Regulations/Standin g Orders (Objective B)	Yes Yes Yes	<p>The Executive Committee meets five times a year and at each meeting reviews financial performance, quarterly reports on the business plan, fraud and corruption and other governance issues. These minutes go to the F&amp;G Committee and on the full Board.</p> <p>Annual Governance Statement Assertion 2</p>	Example: Item 5 of Executive Committee meeting 17 Sept 2024

3.6	Bank reconciliations are on agenda to be considered by Board? (Objective I)	Yes	Head of Finance checks and approves (publishes) the monthly bank reconciliation. The year-end reconciliation is also submitted to Board.  <b>Annual Governance Statement Assertion 1</b>	November 2024 bank reconciliation for two bank accounts seen by the auditor.
3.7	Review of a) investments?  b) bank mandates (signatories on bank accounts)? (Objective B/C)	Yes	Investment strategy update agreed by Finance Cttee August 2024. Savings with Unity Trust. Operating funds are kept with Lloyds Bank.  Bank signatories reviewed when new officers are appointed.  <b>Annual Governance Statement Assertion 1</b>	Finance Cttee August 2024.  Discussion with Head of Finance.
3.8	If bank cards in use, are proper procedures in place? (Objective B)	Yes	Five officers have credit cards. One has a limit of £5,000 and the others £1,000. Procedures in place were checked as part of the sampling process. The aim is to get this expenditure on the system.  <b>It is recommended that occasional checks are carried out to ensure that items purchased are being used correctly.</b>  <b>Annual Governance Statement Assertion 1</b>	Discussion with the Head of Finance and sample checking of purchases.
3.9	Are a) physical records secure? b) electronic records backed up?	Yes  Yes	Limited number of physical records which are stored in a secure cabinet. Electronic records are backed up on the cloud.  <b>Annual Governance Statement Assertion 5</b>	Discussion with the Head of Finance.

## 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 Yes Yes	Annual Governance Statement Assertion 1	Item 9 b of the Board Meeting held 20 Feb 2024
4.2	a) Were the earmarked objectives of the reserves identified in the budget, if any? b) Were the general reserves reasonable? (Objective D)	Yes  Yes	CCB has a substantial reserve. Much of this is restricted for future projects set out in the budget. Reserve Policy revised and adopted in Feb 2025. £70K and £75K (three month running costs) in general reserve.  Annual Governance Statement Assertion 1	Item 9 b of the Board Meeting held 20 Feb 2024  Copy of reserves statement seen by Auditor.
4.3	Was the precept demand for the year under review properly minuted by Board?	NA	Main source of funding is a three year programme of core grant from DEFRA.	Discussion with Head of Finance and sampling of receipts.
4.4	Did the Board a) regularly compare budget vs spend (as detailed	Yes	Standing item on the agenda of the F&G Committee and also reported to the Board at each meeting.	F&G Committee meeting item 3 of minutes of meeting held 6 August 2024. Minutes of this meeting were submitted to Board for noting.

	in the financial regulations) b) and evidenced in the minutes? (Objective D)	Yes	<b>Annual Governance Statement Assertion 1</b>	
4.5	Are any significant variances from budget reported?	Yes	Quarterly reports to Executive and F&G Cttee of expenditure against budget includes explanation of variances.  <b>Annual Governance Statement Assertion 2</b>	Item 3 of Minutes of Executive meeting held 6 August 2024

## 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	Held by Publica at Cotswold District Council who provide HR and payroll services. Annual Governance Statement Assertion 3	Discussion with Head of Finance.
5.2	Do salaries paid agree with those approved by Board? (Objective G)	Yes	Board agrees starting salaries of senior staff. These are notified to payroll provider who draws up monthly schedule which is approved by Chief Exec. Schedule includes members allowances and expenses.  <b>Annual Governance Statement Assertion 1</b>	Copy of schedule and process for approving payments seen by the Auditor.
5.3	Has CBB a) registered as an employer with HMRC? b) have PAYE / NIC been properly dealt	Yes  Yes	Payroll is outsourced to Publica. HMRC reports one month in which tax was underpaid. Officers are in contact with Publica to resolve.	Details of payments to HMRC seen by Auditor

	with (including year-end procedures)? (Objective G)			
5.4	Are Board Member's allowances and expenses properly authorised & controlled, if any?	Yes	<p>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 passed to Publica for payment. Total of Members Allowances published annual in statement of accounts.</p> <p>Annual Governance Statement Assertion 1</p>	<p>Constitution. Payment process seen by Auditor</p> <p>Annual statement of accounts is on the website.</p>
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	Yes  NA	<p>.</p> <p>Annual Governance Statement Assertion 3</p>	Discussion with Head of Finance
5.6	Is NCL a) registered with the Pension Regulator for auto-enrolment pensions? b) Has auto-enrolment registration with Pension Regulator been reviewed (required every 3 years)	Yes  Yes	<p>.</p> <p>Renewed July 2024.</p> <p>Annual Governance Statement Assertion 3</p>	Certificate seen by Auditor

## 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)	Yes	Statement of Accounts 2023/24  Annual Governance Statement Assertion 1	Website.
6.2	Does Board as a whole consider the year-end accounts in addition to 6.5? (Objective J)	Yes	Annual Governance Statement Assertion 1	FRIDAY 28 JUNE 2024 Item 3 (d) but note minutes heading for this item mentions '22/23 accounts'.
6.3	Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) (Objective K)	NA	Annual Governance Statement Assertion 1	
6.4	Annual Governance Statement, section 1 of Annual Return, approved by whole	Yes	Annual Governance Statement Assertion 3	FRIDAY 28 JUNE 2024 (3a-d)

	Board (with separate minute number from Section 2 below)?			
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole Board (with separate minute number from Section 1 above)?	Yes	Annual Governance Statement Assertion 3	Board Meeting FRIDAY 28 JUNE 2024 3a -d
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 CBB correctly provide for the exercise of public rights? (Objective M)	Yes	Annual Governance Statement Assertion 4	Copy of Notice is on the web site.
6.8	Previous internal audit report reviewed by Board and action taken where recommended?	Yes	Annual Governance Statement Assertion 7	Board meeting FRIDAY 28 JUNE 2024 3a
6.9	Previous external audit report (reviewed by Board	Yes		External audit report taken to 20 Feb 24 Board Meeting item 9d.

	and action taken where recommended?		Annual Governance Statement Assertion 7	
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## 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 & Board members and for the public?	Partially	DQM have carried out review of GDPR which shows organisation is partially compliant. <b>Recommended that the organisation ensures it meets minimum legal requirement. Full compliance will depend on costs.</b>  Confirmed registration with the ICO  Annual Governance Statement Assertion 3	Finance cttee 11 Feb 2025 item 7
7.2	Website Accessibility Statement on website home page?	Yes	Annual Governance Statement Assertion 3	Home page of website
7.5	Did council formally appoint GAPTC as the Internal Auditor?	Yes	Constitution requires that the Board appoint the Internal Auditor. <b>Recommended that the Minutes of the Board record the approval of the internal auditor.</b>	Item 6 of F&G Committee dated 17 May 2024 initial discussion.

## 8. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
8.1	Minutes: a) DPLs 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?	Yes  Yes       N/A	The organisation is now posting minutes of the Finance Committee (but note some are missing eg Feb 2025)  Constitution requires that minutes of meetings should be approved and not that they should be signed. Accordingly no hard copies exist.  <b>Annual Governance Statement Assertion 3</b>	Minutes of all meetings include item on Declaration of interests. Web site.       Constitution.
8.2	List of Board members' a) responsibilities (Objective L) and b) interests held and published on the website?	Yes    Yes	Membership of Committees and working groups are on the CCB web site.  The organization is now posting its members' register of interest on the web site.	Website.
8.3	Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)	Yes	Published on website but not dated. The constitution requires agendas to be issued 3 clear working days before the meeting. It is not possible to check this as there is no date of issue on the agenda. <b>It is recommended that Agenda should include date of publication.</b>	Website.

			Annual Governance Statement Assertion 3	
8.4	Summons issued in proper format?	Yes	<p>Constitution requires the 'at least three clear working days before a meeting, the Chief Executive Officer will email every Member of the Board notifying them of the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available'.</p> <p>This practice is followed.</p>	Agendas on the website.