



**COTSWOLD CONSERVATION BOARD
COTSWOLD NATIONAL LANDSCAPE**
Internal auditor's report for the year ended 31 March 2024
Name of Auditor: Janet Eustace

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

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments/recommendations	Evidence
1.1	Have Standing Orders been a) tailored to CCB	Yes	Standing Orders are included within the organisations Constitution. The constitution was subject to a detailed review during 2023/24	Minute reference 8.a. of Board meeting dated 17 October 2023 agreed to amend draft and circulate for retrospective agreement.

	b) minuted?		Annual Governance Statement Assertion 1	Confirmed at Board meeting held on 20 Feb 2024 item 2.
1.2	Have Financial Regulations been a) tailored to CCB b) minuted? (Objective B)		Financial Regulations are included in the organisations Constitution. Annual Governance Statement Assertion 1	Minute reference 8.a. of Board meeting dated 17 October 2023 agreed to amend draft and circulate for retrospective agreement. Confirmed at Board meeting held on 20 Feb 2024 item 2.
1.3	Does the CCB a) give grants? b) have a grant-awarding policy?	Yes Yes	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	Web site 'Caring for the Cotswold' grant scheme. Discussion with Head of Finance.
1.4	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	N/A	Only major purchase this year has been a new vehicle. Annual Governance Statement Assertion 2 & 3	Discussion with the head of Finance.
1.5	Code of conduct reviewed in the last 2/3 years?		The Code of Conduct is included in the organisations Constitution. The constitution was subject to a review during 2023/24 but the Code of Conduct does not appear to have been within the scope of this review. It is recommended that the Code is reviewed during 2024/25.	Item 8 of Minutes of October Board meeting.

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)		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. Annual Governance Statement Assertion 1	Discussion with the head of finance.
2.2	Was Petty Cash expenditure approved, if any? (Objective F)	N/A	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. Policy amended during the year to include new vehicle. Head of Finance recognises that Zurich has been the insurer for a number of years and is in discussion with them. It may be too late to carry out a comparative exercise. If so, it is recommended that the existing policy be extended for 12 months, and a detailed review carried out during 2024/25. Annual Governance Statement Assertion 5	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. Annual Governance Statement Assertion 5	Board meeting 20 Feb 2024 item 9.4
3.3	Asset register a) reviewed regularly? (Objective H) b) published on website?	YES NO	Main assets of value are vehicles. List of equipment also maintained. Recommended that the asset register is on the web site to ensure transparency.	Asset register seen by the Auditor.

	(Objective L)		Annual Governance Statement Assertion 5	
3.4	Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? (Objective C)	YES N/A YES	Head Warden is responsible for ensuring vehicles are maintained and also for smaller items of equipment. Head Warden takes action as required. Annual Governance Statement Assertion 5	
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	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&G Committee and on the full Board. Annual Governance Statement Assertion 2	Example: Minutes of Exec Cttee meeting dated 23 January 2024 item 5.
3.6	Bank reconciliations are on agenda to be considered by Board? (Objective I)		Head of Finance checks and approves (publishes) the monthly bank reconciliation. The year-end reconciliation is also submitted to Board. Annual Governance Statement Assertion 1	31 January 2024 bank reconciliation for two bank accounts seen by the auditor.
3.7	Review of a) investments?	To be undertaken	CCB will shortly be receiving a substantial amount (in excess of £500K) for a 30-year project. The Head of Finance will be reviewing investment	Discussion with Head of Finance

	b) bank mandates (signatories on bank accounts)? (Objective B/C)	during 2024/25 YES	opportunities and making recommendations to the Board. Bank signatories reviewed when new officers are appointed. Annual Governance Statement Assertion 1	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. It is recommended that occasional checks are carried out to ensure that items purchased are being used correctly. Annual Governance Statement Assertion 1	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. Annual Governance Statement Assertion 5	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			Item 9b of Board meeting dated 21 February 2023.

	a) prepared? b) adopted? c) minuted? (Objective D)	YES YES YES	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)	YES YES	CCB has a substantial reserve expected to be in excess of £800k by the end of the year. Much of this is restricted for future projects. General reserve is kept between £70K and £75K. Three month running costs. Annual Governance Statement Assertion 1	Para 14 of budget report agreed at item 9b of February 2023 Board meeting. Copy of reserves statement seen by Auditor.
4.3	Was the precept demand for the year under review properly minuted by Board?	N/A	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 in the financial regulations) b) and evidenced in the minutes? (Objective D)	YES YES	Standing item on the agenda of the F&G Committee. Annual Governance Statement Assertion 1	F&G Committee meeting item 3 dated 23 June 2023. Minutes of this meeting were submitted to Board for noting.
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. Annual Governance Statement Assertion 2	Item 5 of Minutes of Executive meeting held 23 May 2023 and item 3 of F&G Committee dated 23 June 2023.

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. Annual Governance Statement Assertion 1	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 with (including year-end procedures)? (Objective G)	YES YES	Payroll is outsourced to Publica.	Details of payments to HMRC seen by Auditor
5.4	Are Board Member's allowances and expenses properly authorised & controlled, if any?	YES	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 annually in statement of accounts.	Constitution. Payment process seen by Auditor Annual statement of accounts is on the website.

			Annual Governance Statement Assertion 1	
5.5	Pension provision – eligible employees a) offered pension scheme? b) outcome minuted?	YES N/A	 Annual Governance Statement Assertion 3	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	 Certificate expires 24 August 2021, so review needed during 2024. Annual Governance Statement Assertion 3	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	Yes	Statement of Accounts 2022/23	Website.

	separate balance sheet if using Income & Expenditure reporting? (Objective J)		Annual Governance Statement Assertion 1	
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	Item 3E of AGM held 27 June 2023
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 Board (with separate minute number from Section 2 below)?	YES	Annual Governance Statement Assertion 3	Item Di of AGM held 27 June 2023
6.5	Annual Statement of Accounts, section 2 of Annual Return, approved by whole Board (with separate minute	YES		Item Dii of AGM held 27 June 2023

	number from Section 1 above)?		Annual Governance Statement Assertion 3	
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	Item 3b of AGM held 27 June 2023
6.9	Previous external audit report (reviewed by Board and action taken where recommended?)	YES	Annual Governance Statement Assertion 7	External audit report taken to 20 Feb 2024 Board meeting item 9d.

7. Other matters

Ref	Test	Meets reqmts? Yes, No or	Internal Auditor's comments/recommendations	Evidence
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		N/A		
7.1	Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Board members and for the public?	YES	A data protection policy is on the web site. The policy is dated 2018 and it is recommended that this be reviewed. I recommend that the organisation established whether it is registered with the ICO. Annual Governance Statement Assertion 3	Web site.
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		Item 6 of F&G Committee dated 16 November 2023 and also reported to Board at meeting on 20 Feb 2024 item 9.

8. Procedures

Ref	Test	Meets reqmts? Yes, No or N/A	Internal Auditor's comments	Evidence
8.1	Minutes: a) DPIs or other interests recorded? b) published on website in draft form within one	YES YES	However, agendas and minutes of F&G Committee are not post on the web site although Minutes are available as part of the agenda for the following	Minutes of all meetings include item on Declaration of interests. Web site.

	<p>month (mandatory for councillors with a turnover of less than £25,000)? (Objective L) c) initialled on each page and final page signed?</p>	N/A	<p>Board meeting. Recommended that F&G agendas and minutes are posted on web site. Confidential reports can be withheld.</p> <p>Constitution requires that minutes of meetings should be approved and not that they should be signed. Accordingly, no hard copies exist.</p> <p>Annual Governance Statement Assertion 3</p>	Constitution.
8.2	<p>List of Board members' a) responsibilities (Objective L) and b) interests held and published on the website?</p>	<p>YES</p> <p>NO</p>	<p>Membership of Committees and working groups are on the CCB web site. District Council retains Register of Interests but it is not published on the Board's web-site. Recommend that the Board consider publishing register of interests to increase transparency.</p>	Website.
8.3	<p>Agendas signed and displayed on website/noticeboards 3 clear days' prior to meeting? (Objective L)</p>	YES	<p>Published on website but not dated. It is recommended that Agenda should include date of publication.</p> <p>Annual Governance Statement Assertion 3</p>	Website.
8.4	<p>Summons issued in proper format?</p>	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'. This practice is followed.</p>	Agendas on the website.