

## Winsham Parish Council – Internal Audit Informal Comments & Recommendations

The basis of my Internal Audit was set out in the Informal Comments presented with last year's report.

I am pleased to note that your Clerk maintains high professional standards with the comprehensive supporting documentation provided and available on your web site. This should ensure strong governance is undertaken by Council.

All information I required to complete my review was readily to hand or a clear explanation given to requests for clarification, when required. This has enabled me to sign off my standard review check list without any adverse comments being noted.

### The United Charities of Sir Matthew Holsworthy & John Wheadon

The existence of this Charity and the requirement for the Parish Council to appoint new Trustees was noted during my Audit.


I did not note the Council held a Trustee position when reporting to the External Auditor last year and the Clerk believes that one is not held. However the relationship of the Council to the Charity requires clarification to ensure that responsibilities as to the operation of the Charity do not rest with the Council. This query has arisen as I became aware of a letter from one of the Trustees for the Charity suggesting to the Council a candidate to be appointed as a Trustee.

It is my understanding that it is normally for existing Trustees to appoint new Trustees to a Charity or Trust and therefore by implication the Council may be a Trustee, with all the duties and responsibilities that are linked to that role. However, some Trust Deeds will contain an express power granting 'certain persons' the power to appoint 'any other person' as a Trustee.

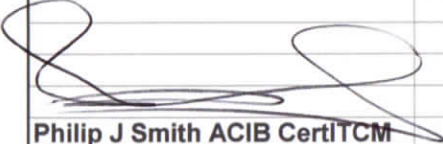
In the first instance a copy of the original Trust Deed should be reviewed to establish under what basis or power the Council is being asked to exercise a power of appointment. It may then be necessary to ask for a solicitor to clarify the position of the Council. \*



Philip J Smith – Internal Auditor for Winsham PC – April 2017

Deed dated 19/7/1912 reviewed - power to appoint - representative Trustee vested in Parish Council of Winsham, who are not a Trustee. 

Winsham Parish Council - April 2017				
Internal Control	Suggested Test	Yes	No	Comments
<b>Proper Bookkeeping</b>	Is the Cashbook maintained & up to date	X		
	Is the Cashbook arithmetically correct	X		
	Is the Cashbook regularly balanced	X		
<b>Standing Orders &amp; Financial Regulations adopted &amp; applied</b>	Has the Council formally adopted standing orders & financial regulations	X		NALC Models Adopted Reviewed March 2017
	Has a Responsible Officer been appointed with specified duties	X		Clerk's contract contains the role of RFO
<b>Payment controls</b>	Have items or services above a set amount been competitively purchased	X		
	Are payments in the cashbook supported by invoices, authorised & minuted	X		
	Has VAT on payments been identified, recorded & reclaimed	X		
	Is S137 expenditure separately recorded & within statutory limits	X		Grass cutting grant for Sports & Social Club
<b>Risk Management</b>	Does a scan of minutes identify any unusual financial activity		X	
	Do the minutes record the council carrying out an annual risk assessment for all appropriate activities and locations	X		Reviewed 17/10/2016 Renewal 31/05/2017
	Is insurance cover appropriate & adequate			
	Are internal financial controls documented & regularly reviewed	X		Reviewed 20/12/2015
<b>Budgetary Controls</b>	Has the Council prepared an annual budget in support of its precept	X		
	Is actual expenditure against the budget regularly reported to the Council	X		
	Are there any significant unexplained variances from the budget		X	
<b>Income Controls</b>	Is income properly recorded & promptly banked	X		
	Does the precept recorded in the cashbook agree to the District Council's notification.	X		
	Are security controls over cash adequate & effective	N/A		

Internal Control	Suggested Test	Yes	No	Comments
<b>Petty Cash Procedures</b>	Is all petty cash spent recorded & supported by VAT invoices or receipts	N/A		No petty cash is held. All minor expenditure etc. by the clerk/secretary is recorded, supported by receipts and claimed on a regular basis
	Is petty cash expenditure reported to each Council meeting	N/A		
	Is petty cash reimbursement carried out regularly	N/A		
<b>Payroll Controls</b>	Do salaries paid agree with those approved by Council	X		The Clerk is the Council's sole employee
	Are other payments to the Clerk reasonable & approved by the Council	X		See above re Petty Cash
	Has PAYE & NIC been properly operated by the Council as an employer	X		The correct procedure is in place
	Has Auto Enrolment Process been completed	x		
<b>Asset Controls</b>	Does the Council keep an asset register of all material assets owned	X		
	Are the asset & investment registers up to date	X		
	Do asset insurance valuations agreed with those in the asset register	X		War Memorial added 4/03/2015
<b>Bank Reconciliation</b>	Is there a bank reconciliation for each account	X		
	Is the bank reconciliation carried out regularly on receipt of statements	X		Signed off quarterly
	Are there any unexplained balancing entries in any reconciliation		X	
<b>Year End Procedures</b>	Are year end accounts prepared on the correct accounting basis - Receipts/Payments or Income & Expenditure	X		
	Do accounts agree with the cash book	X		
	Is there an audit trail from underlying financial records to the accounts	X		
	Where appropriate have debtors & creditors been properly recorded	N/A		
<b>Confirmed 26/04/2017</b>				
				
<b>Philip J Smith ACIB CertITCM</b> <b>Appointed Internal Auditor for Winsham Parish Council</b>				