

Winsham Parish Council – Internal Audit Informal Comments & Recommendations

This is the first Internal Audit that I have completed for Winsham Parish Council and therefore it is appropriate to set out the general terms and processes that I use for audits of this nature.

My Internal Audit of the Parish Council should not be taken as a forensic audit of all the financial transaction undertaken in the previous 12 months.

My examination was carried out in accordance with the Governance and Accountability for Local Councils A Practitioners' Guide (England) March 2014; Appendix 9 – An approach to internal audit testing.

That examination includes a review of the accounting records kept by the Council and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and if appropriate seeking explanations from the Clerk or Council concerning any such matters.

However the audit is primarily focused on governance and the processes and procedures that should be adopted by the Council to ensure that their governance is robust. This includes adopting financial monitoring and controls that ensure that control of financial activity is robust and within the power of the Council to undertake.

I am pleased to note that your Clerk has achieved her CiLCA qualification. The training required for this is evident in the professionalism shown and by the comprehensive supporting documentation provided and available on your web site.

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.

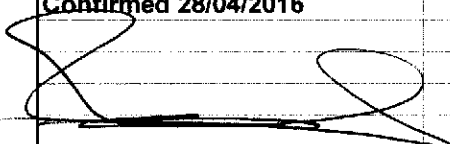
Recommendation to form a Finance Group

I would recommend that the Council consider forming a non-decision making group, who would review performance against budget, assist the clerk in the preparation of the budget and precept for the coming year, sign off the bank reconciliation and report to Council as required. Monthly meetings are not required.



Philip J Smith – Internal Auditor for Winsham PC – April 2016

Winsham Parish Council - April 2016				
Internal Control	Suggested Test	Yes	No	Comments
Proper Bookkeeping	Is the Cashbook maintained & up to date	X		
	Is the Cashbook arithmetically correct	X		
	Is the Cashbook regularly balanced	X		
Standing Orders & Financial Regulations adopted & applied	Has the Council formally adopted standing orders & financial regulations	X		NALC Models Adopted Reviewed 1/04/2015 & 13/05/2015
	Has a Responsible Officer been appointed with specified duties	X		Clerk's contract contains the role of RFO
Payment controls	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
Risk Management	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 17/10/2015 Renewal 31/05/2016
	Is insurance cover appropriate & adequate			
	Are internal financial controls documented & regularly reviewed	X		Reviewed 20/12/2015
Budgetary Controls	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	
Income Controls	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
Petty Cash Procedures	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		
Payroll Controls	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
Asset Controls	Does the Council keep an asset register of all material assets owned	X		War Memorial added 4/03/2015
	Are the asset & investment registers up to date	X		
	Do asset insurance valuations agreed with those in the asset register	X		
Bank Reconciliation	Is there a bank reconciliation for each account	X		Signed off quarterly
	Is the bank reconciliation carried out regularly on receipt of statements	X		
	Are there any unexplained balancing entries in any reconciliation		X	
Year End Procedures	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		
Confirmed 28/04/2016				
				
Philip J Smith ACIB Cert/TCM Appointed Internal Auditor for Winsham Parish Council				