**INTERNAL AUDIT**

**Danehill Parish Council**

**02/05/2018**

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| --- | --- | --- | --- |
| **INTERNAL CONTROL** | **SUGGESTED TESTING** | **YES/NO** | **COMMENT** |
| Proper Bookkeeping | * Is the cashbook maintained an up to date?
* Is the cashbook arithmetic correct?
* Is the cashbook regularly balanced?
 | YesYesYes |  |
| 1. Standing orders and financial regulations adopted and applied; and
2. Payments controls
 | * Has the council formally adopted standing orders and financial regulations?
* Has an RFO been appointed with specific duties?
* Have items or services above the deminimis amount been competitively purchased?
* Are payments in the cashbook supported by invoices, authorised and minuted?
* Has VAT on payments been identified, recorded and reclaimed?
* Is s137 expenditure separately recorded and within statutory limits if applicable? – Has the Council got GPC?
 | YesYesYesYesYesYes | List of payments reported to Fin Cttee  |
| Risk Management arrangements | * Does a review of the minutes identify any unusual financial activity?
* Do the minutes record the council carrying out an annual risk assessment?
* Is insurance cover appropriate and adequate?
* Are internal financial controls documented and regularly reviewed?
 | YesYesYes | Didn’t check minutes but accountsAsked Clerk |
| Budgetary Controls | * Has the council prepared an annual budget in support of its precept?
* Is actual expenditure against the budget regularly reported to the council?
* Are there any significant unexplained variances from budget?
 | YesYesYes |  Discussed with Clerk and on Annual Return  |
| Income Controls | * Is income properly recorded and promptly banked?
* Are security controls over cash and near-cash adequate and effective?
 | YesYes |  |
| Petty Cash Procedures | * Is all petty cash spent recorded and supported by VAT invoices/receipts?
* Is petty cash expenditure reported to each council meeting?
* Is petty cash reimbursement carried out regularly?
 | N/AN/AN/AN/A |  |
| Bank Reconciliation | * Is there a bank reconciliation for each account?
* Is a bank reconciliation carried out regularly and in a timely fashion?
* Are there any unexplained balancing entries in any reconciliation?
* Is the value of investments held summarised on the reconciliation?
 | YesYesNoYes |  |
| Payroll Controls | * Do all employees have contracts of employment with clear terms and conditions?
* Do salaries paid agree with those approved by the Council?
* Are other payments to employees reasonable and approved by the Council?
* Have PAYE/NIC been properly operated by the council as an employer?
 | YesYesYesYes |  |
| Assets Controls | * Does the council maintain a register of all material assets owned or in its care?
* Are the assets and investments registers up to date?
* Do asset insurance valuations agree with those in the asset register?
 | YesYesYes |  |
| Year-end procedures | * Are year-end accounts prepared on the correct account basis? (R&P/I&E)
* Do accounts agree with the cashbook?
* Is there an audit trail from underlying financial records to the accounts?
* Where appropriate, have debtors and creditors been properly recorded?
 | YesYesYesYes |  |
| Transparency | * Evidence of transparency of Council activities and expenditure
 | Yes | All on Website |
|  |  |  |  |

The Clerk has worked hard to bring this Council up to date since its hiatus in 2016. It is now well managed with robust financial procedures in place.

Signed:......... .................................................................. Date......................3rd May 2018.....................

RODABE RUDIN