**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? | Yes  Yes  Yes |  |
| 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? | Yes  Yes  Yes  Yes  Yes  Yes | 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? | Yes  Yes  Yes | Didn’t check minutes but accounts  Asked 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? | Yes  Yes  Yes | 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? | Yes  Yes |  |
| 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/A  N/A  N/A  N/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? | Yes  Yes  No  Yes |  |
| 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? | Yes  Yes  Yes  Yes |  |
| 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? | Yes  Yes  Yes |  |
| 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? | Yes  Yes  Yes  Yes |  |
| Transparency | * Evidence of transparency of Council activities and expenditure | Yes | All on Website |
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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