

## INTERNAL AUDIT SERVICE FOR WEST DEREHAM PARISH COUNCIL

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2014 edition of "Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide".

Signed.  Date 1/6/2015

1 Internal Control	2 Tests	3 Initial if Yes	4 Reference	5 Comments
Previous Internal Audit Report	Do the minutes record that Council has considered the Internal Audit Report for the previous year and the matters arising addressed?	JMM	Minute Ref: WDPC/14/24	
Proper bookkeeping	Is the cashbook maintained and up to date?	JMM	Spot Check July 2014	
	Is the cashbook arithmetically correct?	JMM	Spot Check July 2014	
	Is the cashbook regularly balanced?	JMM		
Standing Orders and Financial Regulations	Has the Council formally adopted Standing Orders? Financial Regulations?	JMM	Minute Ref: WDPC 14/25	June 2014
		JMM	Minute Ref: WDPC14/35	August 2014
	Has a Responsible Financial Officer been appointed?	JMM		
	Have items or services above a de minimis amount been competitively purchased?			No items of significant value have been purchased.
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	JMM	Minute ref: WDPC 14/46 Minute ref WDPC 15/9	Spot checked CGM Inv 184826 Spot checked NPT Inv 14/168
	Has VAT on payments been identified, recorded and reclaimed?	JMM		Inspected VAT Return Inspected remittance advice
	Is Section 137 expenditure separately recorded and within statutory limits?	JMM		Only one entry for section 137



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Risk Management Arrangements (contd)	Do the minutes record the Council carrying out an annual risk assessment?	JMM		Policy reviewed annually Last review 07/08/2014
	Is insurance cover appropriate and adequate?	JMM	Game & Co 01.06.2014 – 31.05.2015	Insurance Policy examined
	Are internal financial controls documented and regularly reviewed?	JMM		Monthly Bank Reconciliations
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	JMM		
	Is actual expenditure against the budget regularly reported to Council?	JMM		A spreadsheet is presented to members each month showing expenditure against budget
	Are there any significant unexplained variances from budget?	NO		Budget inspected and there were no unexplained variances from budget
Income Controls	Is income properly recorded and promptly banked?	JMM		
	Does the precept recorded in the cashbook agree to the District Council's notification?	JMM		
	Are security controls over cash adequate and effective?	JMM		There is no cash income
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?			No Petty Cash
	Is petty cash expenditure reported to Council?			No Petty Cash
	Is petty cash reimbursement carried out regularly?			No Petty Cash
Payroll Controls	Do salaries paid agree with those approved by Council?	JMM		Checked amount from payslip to approved amount in the minutes to the amount shown on the cheque
	Are other payments to the Clerk reasonable and approved by Council?	JMM		



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Payroll Controls (contd)	Has PAYE/NIC been properly operated by the Council as an employer?	JMM		Stephenson Smart run the payroll and advise Council on their statutory payments
Assets Controls	Does the Council keep an Assets Register of all material assets owned?			This is currently being organised
	Is the Register up to date?			See above
	Do asset insurance valuations agree with those in the Register?			See above
Bank Reconciliation	Is there a bank reconciliation for each bank account?	JMM		Checked final bank reconciliation against the bank statements
	Is the bank reconciliation carried out regularly on the receipt of statements?	JMM		Bank reconciliation is done on a monthly basis
	Are there any unexplained balancing entries in any reconciliation?	No		
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	JMM		Accounts are prepared under receipts and payments
	Do accounts agree with the cashbook?	JMM		
	Is there an audit trail from underlying financial records to the accounts?	JMM		
	Where appropriate, have debtors and creditors been properly recorded?	JMM		
	Where appropriate, have debtors and creditors been properly recorded?	JMM		
Trust Funds	Has the Council met its responsibilities as a Trustee			Not applicable