

West Dereham Parish Council

Internal Audit Report

For West Dereham Parish / Town Council

Financial Year 2019/2020

Including Explanatory Notes for Annual Return

Prepared by Mrs Jo Raby, 18/07/2020

I have completed an internal audit of the accounts for West Dereham Council for the year ending 2020. My findings are detailed below using the tests provided in the Governance and Accountability (England) 2019.

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes maintained excel
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes monthly
	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	February 20 - Minuted
	Date Financial Regulations last reviewed	February 20 - Minuted
	Has a Responsible finance officer been appointed with specific duties?	Yes the clerk is the RFO
	Have items or services above the de minimus amount been competitively purchased?	Yes it is minuted that quotes are received for competitive pricing
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes – Invoices in the folder are noted with a cheque number and dated , All are initialed and listed in the minutes of the monthly meetings.
	Has VAT on payments been identified, recorded and reclaimed?	Yes documents seen
	Is s137 expenditure separately recorded and within statutory limits?	Yes - separate line in the cash book
	Have S137 payments been approved and included in the minutes as such?	Yes – recorded in the minutes of the meeting November 19
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes last revised February 20, states it is an ongoing process

Internal control	Test	Observations
	Is insurance cover appropriate and adequate?	Yes adequate and appropriate value to assets held
	Are internal financial controls documented and regularly reviewed?	Yes – reviewed yearly last done November 19
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes cash flow and running budget is presented at each council meeting and discussions held.
	Has the precept been calculated from the budget and been approved?	Yes minuted in December 19
	Does the budget include an actual completed year?	Only YTD provided
	Is actual expenditure against budget regularly reported to the council?	Yes in minutes
	Are there any significant unexplained variances from budget?	No – there are variances however detailed explanations are included
Income controls	Is income properly recorded and promptly banked?	Yes each month is separately logged in the file
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	N/A
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes

Internal control	Test	Observations
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes - Spreadsheet version held
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes revised April 20 updated May 20
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes Monthly
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes Monthly
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	None Held
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cashbook?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	Yes
Procedural	Is eligibility for the General Power of Competence properly evidenced?	No – not eligible
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
Transparency: For smaller councils with	Minutes for whole year on website?	Yes

Internal control	Test	Observations
turnover under £25,000	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Separate document on the website
	Electors' rights advertised on website?	Still to be uploaded onto the website - Due to covid 19 there are accepted extensions to deadlines
	Councillors' responsibilities detailed on website?	Due to changes in the council no See note 2
	Last financial year's Annual Return on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
Councils with charities only	Have Charities reported and accounted separately?	See Notes
	Have the Charity accounts been independently audited?	See Notes
	Have the Charity accounts and Annual Return been filed within the legal time limit?	See Notes
	Has a representative of the Parish Council been trained in GDPR implications? And does the Parish Council adhere to GDPR regulations?	Yes
	Are all electronic files backed up?	Yes – memory stick

Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes – Clerk has received training this financial year.
	Have fees for the cemetery been reviewed and agreed by Council?	Yes May 19

	Have burial books been kept up to date and are they safely stored?	Yes
Allotments	Have fees for the allotments been reviewed and agreed by Council?	Yes

Summary of my recommendations:

I have signed off the annual return as all of the tasks have been completed and all information was present and correct. Please find below some recommendations for best practice to consider for the following financial year.

Note 2 – website to be updated once the council have completed all personnel changes. The Council have spent much of the year without a Quorate due to illness and ongoing investigations and are now in a more stable position.

Note 3 – Village Hall charity is currently under investigation, the Charities commission are involved.

Mrs Jo Raby

19/07/2020

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Signed

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Date