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## **Internal Audit Report for Wickham Bishops Parish Council**

12<sup>th</sup> June 2020

I am pleased to report to Members of the Parish Council that I have completed my internal audit of Wickham Bishops Parish Council's records for 2019 – 2020 and I have been able to complete the Internal Audit report of the Annual Return for the year ended 31 March 2020 as required under the Accounts and Audit Regulations.

Members should be aware that my work cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against.

Observations and recommendations.

None.

Auditor appointed at minute 19/219

CoVID regulations adopted 20/072

Precept £16,928 as published on the PKF website.

Internal Control	Testing		Comments
Proper bookkeeping	• Is the cashbook maintained and up to date?	Y	RFO uses spreadsheet to record and analyse payments into budget headings and extract VAT for reclaim.
	• Is the cashbook arithmetic correct?	Y	
	• Is the cashbook regularly balanced?	Y	Monthly reconciliations provided to Council.

a) standing orders and financial regulations adopted and applied; and b) payments controls	Has the council formally adopted standing orders and financial regulations?	Y	Revised financial regulations adopted at minute 19/219. Standing orders and financial regulations adopted at minute 20/036 – both are based on current NALC model regulations.
	Has a Responsible financial officer been appointed with specific duties?	Y	
	Have items or services above the de minimus amount been competitively purchased?	N/A	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Y	Sampled September 2019.
	Has VAT on payments been identified, recorded and reclaimed?	Y	
	Is s137 expenditure separately recorded and within statutory limits?	Y	S137 limit reported as £12,355.

Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	N	Regular reports of expenditure and reserves are received.
	Do minutes record the council carrying out an annual risk assessment?	Y	Reviewed and updated to cover communicable diseases at minute 20/073

	Is insurance cover appropriate and adequate?	Y	Premium of £369 is reasonable for the assets of the parish and provides standard cover by Zurich.
	Are internal financial controls documented and regularly reviewed?	Y	Parish Council has a financial committee and receives regular reports on expenditure and financial management.

Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Y	Updated 19/20 budget agreed at minute 19/073.
	Is actual expenditure against the budget regularly reported to the council?	Y	Quarterly review agreed at 109/073. Monthly reports of balances and expenditure received.
	Are there any significant unexplained variances from budget?	N	

Income Controls	Is income properly recorded and promptly banked?	Y	Council has limited sources of income, all of which are paid directly into the bank account.
	Does the precept recorded agree to the Council Tax authority's notification?	Y	£16,928 as published, claimed, and received.
	Are security controls over cash and near-cash adequate and effective?	N/A	No cash held

Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A	No petty cash held.
	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?	Y	Contract based on NALC model current at the time of appointment.
	Do salaries paid agree with those approved by the council?	Y	External Payroll company employed. Salary follows current NALC/SLCC pay scales.
	Are other payments to employees reasonable and approved by the council?	Y	Reimbursement for travelling, phone and office reported monthly.
	Have PAYE/NIC been properly operated by the council as an employer?	Y	Payroll managed by external company.
Assets controls	Does the council maintain a register of all material assets owned or in its care?	Y	Asset register updated at minute 20/073
	Are the assets and Investments registers up to date?	Y	Reviewed annually
	Do asset insurance valuations agree with those in the asset register?	Y	Same list.

Bank Reconciliation	Is there a bank reconciliation for each account?	Y	Two accounts held.
	Is a bank reconciliation carried out regularly and in a timely fashion?	Y	Monthly
	Are there any unexplained balancing entries in any reconciliation?	N	
	Is the value of investments held summarised on the reconciliation?	Y	

Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Y	Cash accounting
	Do accounts agree with the cashbook?	Y	Accounts are the cashbook.
	Is there an audit trail from underlying financial records to the accounts?	Y	All income and expenditure fully traceable
	Where appropriate, have debtors and creditors been properly recorded?	N/A	