



Compton and Shawford Parish Council

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COUNCIL'S REVIEW OF INTERNAL AUDIT 2018/19

In order that the Parish Council is able to complete assertions 2 and 6 in its annual governance statement, the council's annual audit should include the checks outlined below.

Internal Control	Suggested Testing	Checked
Bookkeeping	Is the cashbook maintained and up to date? Is the cashbook arithmetic correct? Is the cashbook balanced regularly?	Yes, updated monthly Yes - spreadsheet formula should ensure correctness; figures are totalled across and down so any errors should be readily visible. Yes, monthly
a) Standing orders and financial regulations adopted and applied b) Payments controls	Has the council formally adopted standing orders and financial regulations? Has a responsible financial officer been appointed with specific duties? Have items of or services above the <u>de minimis</u> 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 Section 137 expenditure separately recorded and within statutory limits?	Yes -publicly available at http://comptonshawford-pc.gov.uk/parish-council/governance-documents/ Yes - the Clerk Yes Yes - checked, and minuted at each PC meeting Yes - quarterly VAT returns Yes, when applicable

Compton & Shawford Parish Council Internal Audit

Internal Control	Suggested Testing	Checked
Risk management arrangements	<p>Does a review of the minutes identify any unusual financial activity? Do minutes record the Council carrying out an annual risk assessment? Is insurance cover appropriate and adequate?</p> <p>Are internal financial controls documented and regularly reviewed?</p>	<p>No Yes; last recorded on 5 March 2019. Last major asset revaluation 25 September 2009. Assets added as necessary. Current insurance values shown on the asset register, which is updated annually in March. Yes, financial regulations were updated on 1 May 2018.</p>
Budgetary controls	<p>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?</p>	<p>Yes - approved at 8 January 2019 Parish Council (PC) meeting Yes, at each PC meeting No.</p>
Income controls	<p>Is income properly recorded and promptly banked? Does the precept recorded agree to Winchester City Council's notification? Are security controls over cash and near-cash adequate and effective?</p>	<p>Yes Yes Cash is not held. On line banking: the clerk is only authorised to transfer up to £10,000 from the deposit to the current account. He does not have access to funds on 12 months' deposit.</p>
Payroll controls	<p>Does the Clerk have a contract of employment with clear terms and conditions? Does the salary paid agree with that approved by the Council? Are other payments to the clerk reasonable and approved by the Council? Have PAYE/NIC been properly operated by the council as an employer?</p>	<p>Yes - approved and signed at the November 2008 PC meeting. Yes Yes Yes, Monthly PAYE RTI returns</p>

Compton & Shawford Parish Council Internal Audit

Internal Control	Suggested Testing	Checked
Assets control	Does the Council maintain a register of all material assets owned or in its care? Is the asset register up to date? Do asset insurance valuations agree with those in the asset register?	Yes Yes, and reviewed annually: see minutes of PC meeting 5 March 2019 Yes (Insurance values exceed asset values)
Bank reconciliation	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 (at the end of the month preceding council meetings). No Yes
Year-end procedures	Are the accounts prepared on the correct accounting basis (receipts and payments)? 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
Internal Audit	Has the Council responded to/implemented any comments from the internal auditor's report?	There were no matters arising.

Richard Webster
 Finance & Administration Portfolio Holder
 Compton & Shawford Parish Council
 5 March 2019