

INTERNAL AUDIT TESTING

Westerleigh Parish Council

Year Ended 31 March 2015

INTERNAL CONTROL:	FINDINGS:
PROPER BOOK KEEPING	<ul style="list-style-type: none">- Appropriate books of account have been kept properly throughout the year.- Computer based records maintained, and reconciled on a frequent and regular basis.- No significant issues noted.
STANDING ORDERS/ FINANCIAL REGULATIONS	<ul style="list-style-type: none">- Minutes are clearly documented and relevant authorisations obtained.- Budgetary procedures are in place – budget is presented on a timely basis, monitored throughout the year, and appropriate reserves made.- ‘Finance & GP Committee’ expenditure increased, changes in the year included website costs (new in year) and increased salary costs.- ‘Environment & Leisure Committee’ expenditure significantly reduced this year – although increased costs were incurred due to Chalet refurbishment this was more than compensated for by the reduction in costs relating to refurbishment works at Bitterwell Lake (with 80% of these costs having been incurred in y/e 2014).- Expenditure analysis is clear and consistent throughout.- Payment, supporting documentation is present, appropriately authorised and clearly referenced – payments include cheques and on-line transactions- VAT on expenditure is correctly analysed and accounted for with one claim submitted and correctly included as a year end debtor (repayment not yet received, at time of review).- Year end creditors are identified, supported by relevant documentation, correctly accounted for, and confirmed by post year end transactions.
RISK MANAGEMENT	<ul style="list-style-type: none">- Chalet refurbishment undertaken during the year – appropriate documentation, authorisations, and supporting documentation in place.- No significant and/ or unusual transactions noted.- Asset Register maintained – per discussions with the Clerk, the asset values remain consistent year on year, in accordance with the external auditors (Grant Thornton), values will only change if a disposal or addition.- All refurbishment work in the year has been expensed, and there is no change to the Asset Register values from the prior year.

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	<ul style="list-style-type: none">- Local Government 'good practice' requires 2 elected members to sign cheques and other orders for payments. Parliamentary and Welsh Assembly approval has been given to repeal this statutory requirement, provided Councils have put in place '...safe and efficient arrangements...'- Approved minutes require 3 signatories, one of which must be the Clerk (example references; Full Council 3rd Oct 2013; Finance & GP Committee 19th May 2014).- Signatories, both for manual signature (eg cheques) and for on-line banking transactions, have been evidenced as in accordance with authorised and current, policies and procedures.- Authorisations are clearly documented and supported.- It should be noted that the Clerk is therefore required to (part) authorise all payments, including own expenses and salary. - The Bank mandate is current and effective until May 2015 i.e. coincides with elections due May 7th 2015.
BUDGETARY CONTROL	<ul style="list-style-type: none">- Budgetary procedures are in place – budget is presented on a timely basis, monitored throughout the year, and appropriate reserves made.- Year end Earmarked balances represent 54.9% of the Precept for the year (2014: 63.6%; 2013: 60.2%; 2012 66.0%).
INCOME CONTROL	<ul style="list-style-type: none">- Income comprises – Annual Precept, South Glos Grant, Rent/ fishing rights, Bank interest, and new in the year Community Benefit.- The Community Benefit is a significant annual amount received in respect of the solar farm installation within the parish. Supporting documentation is available. The full amount has been allocated as an 'Earmarked Balance' to be used for specific expenditure only.- Income confirmed as received during the year, properly recorded and promptly banked – clear and consistent audit trail present from banked receipt through supporting documentation and accounting records – and vice versa.- No VAT associated with income.
PETTY CASH	<ul style="list-style-type: none">- None (2013 None; 2012 None)- Confirmed by the Clerk – petty cash not required and not utilised.
PAYROLL	<ul style="list-style-type: none">- Regular and year end submissions to HMRC reconciled to payroll records- Relevant and correct deductions and payments made, supported and clearly documented – includes tax, NI and pension.

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	<ul style="list-style-type: none">- A revaluation of pension resulted in a 'repayment', this was collected by a nil Employer's Contribution being made for the first 3 months of the year.- Tax coding in accordance with HMRC documentation- Increase in hours and pay rate in accordance with national advice, clearly documented and authorised.- Successful use of Real Time Reporting- Supporting documentation includes – National Association of Local Councils, Society of Local Council Clerks, and Local Government Pensions Committee.
ASSETS	<ul style="list-style-type: none">- Asset Register maintained – per discussions with the Clerk, the asset values remain consistent year on year, in accordance with the external auditors (Grant Thornton), values will only change if a disposal or addition.- Property (Manor Hall) leased to charitable trust. Lease commenced 15 May 2002 for 99 years, yearly rent 'one peppercorn (if demanded)'. Confirmed by the Clerk, no change in year.- Current Assets - Debtor - VAT Refunds - claim made for the full year, correctly accounted for as a year end debtor – repayment not yet received as at time of review.
BANK RECONCILIATION	<ul style="list-style-type: none">- Bank reconciliation, includes both current and reserve accounts, properly performed on a frequent and regular basis.- Opening and closing balances correctly transferred and reconciled.- Supported by bank statements, cheque stubs and paying in records, and income/ expenditure records.- Year end reconciliation – no cheques or credits outstanding – confirmed by review of transactions and documentation around the year end.- During the year there were 3 cash transfers from the reserve to current account.
YEAR END	<ul style="list-style-type: none">- Accounting statements correctly prepared – agreed to, and fully supported by, an adequate audit trail- Debtors and creditors correctly identified and properly recorded
AUDIT OPINION	<ul style="list-style-type: none">- No significant issues noted.- Adequate procedures appear to be in place, and practiced, throughout the financial year.

Examination carried out by: *Chris Jacob*

Date: *05 May 2015*