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Wootton Parish Council Internal Audit 2015/16

I have carried out an Internal Audit of the Accounts of Wootton Parish Council in line with the attached schedule, and the requirements of the Audit Commission External Auditors. I have acted independently & on the basis of an assessment of risk, I have carried out a selective assessment of compliance with relevant procedures & controls. I have completed & signed section 4 of your Annual Return to the External Auditors, which details the audit I have completed as follows:

A – Appropriate books of account have been kept properly throughout the year.	Yes
B – The councils financial regulations have been met, payments were supported by invoices, all expenditure was approved & VAT was appropriately accounted for.	Yes
C – The Council assessed the significant risks to achieving its objectives & reviewed the adequacy of arrangements to manage these.	Yes
D – The Annual precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate.	Yes
E – Expected income was fully received, based on correct prices, properly recorded & promptly banked; & VAT was appropriately accounted for.	Yes
F – Petty cash payments were properly supported by receipts; all petty cash expenditure was approved & VAT accounted for.	n/a
G – Salaries to employees & allowances to members were paid in accordance with council approvals; and PAYE & NI requirements were properly applied.	Yes
H - Asset & Investment registers were complete & accurate & properly maintained.	Yes
I – Periodic & year end bank account reconciliations were properly carried out.	Yes
J – Accounting statements prepared during the year were prepared on the correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, & where appropriate debtors & creditors were properly recorded.	Yes
K – Trust funds (including charitable). The council met its responsibilities as a trustee.	N/A

Accounts & Audit Regulations 2015
These came into effect on 1/4/15 as follows:

- The Parish Council must have a sound system of internal control
- The Parish Council must conduct an annual review of the effectiveness of its internal control system. The findings of this review must be considered by the full Parish Council (not a committee).
- The Annual Governance Statement must be approved before the Annual Statement of Accounts
- The Statement of Accounts must be approved by the full Parish Council (not a committee).

I can confirm that I am satisfied the Parish Council complies with this new legislation.

External Audit from 2017/18
If your turnover is greater than £25k there is no change to current procedures.
If your turnover is below £25k an Annual Return to the External Auditors will not be required.

Gill Wiggs
Gill Wiggs, May 2016

Internal Audit will be carried out in line with The Audit Commissions requirements, as follows:

1. Year end summary of accounts to be checked to ensure accounts are appropriately prepared and presented, and that Section 2 of the External Audit Return is completed in line with the Auditors requirements.

2. Cashbook will be checked to ensure appropriate records have been kept.

3. Year End bank reconciliation will be checked to ensure final cashbook balance reconciles with year end bank statement balance, and any difference is accounted for.

4. A selective audit trail will be carried out on payments to ensure they are supported by invoices, expenditure is approved, and VAT is accounted for.

5. The level of risk management & internal controls will be assessed.

6. The budget process for setting the Precept will be assessed.

7. Reserve levels will be assessed in line with the External Auditors recommendations.

8. A selective audit trail will be carried out on income received to ensure it is properly recorded, priced and banked.

9. A selective audit trail of petty cash will be carried out to ensure it is supported by receipts, and that expenditure was approved and VAT accounted for.

10. A selective audit trail will be carried out on salaries to employees to ensure they are approved, and PAYE is in operation.

11. The Asset register will be checked to ensure it is up to date and regularly maintained.

    Plus, when turnover is less than £25k, in accordance with Smaller Authorities (Transparency Requirements) (England) Regulations 2015/494, the audit will include a check on the authority's website to ensure the following information is published:

a) Details of transactions over £100
b) Full end of year accounts
c) Annual Governance Statement
d) Internal Audit Report
e) List of Councillor responsibilities
f) List of assets
g) Draft minutes of all meetings within one month of meeting
h) Meeting agendas & papers 3 days before meetings

Documents required from Parish Council to carry out Internal Audit

1. Annual Audit Return with sections 1 & 2 accurately completed in line with instructions provided, including:
- an explanation of any difference between line 7 & line 8
- Bank reconciliation that reconciles any difference between line 8 and year end bank balances (example can be obtained from http://www.bdo.co.uk/BDOSH/councils) user name – councils, password - extranet

2. Cashbook/Record of transactions (i.e. spreadsheet or similar)

3. Year end summary of accounts

4. Invoices paid throughout year

5. Bank statements from 1st April – 31st March, showing year end balances as at 31st March.

6. Cheque books/paying in books

7. If you use any other payment methods such as debit cards or on line banking, appropriate records should be provided.

8. VAT records

9. Budget for the financial year being audited
10. Insurance Policy and any other risk assessment records (example risk assessment schedule can be obtained from website above)
11. Evidence that the Parish Council has a whole has reviewed the effectiveness of internal controls.
12. Minutes (or details of website where minutes can be viewed)
13. Details of Reserves held (ie: summary showing where money left at year end is allocated)
14. Petty Cash records if appropriate
15. Employee salary records including PAYE records. Ideally this should include P60 for the year in question if it has been produced at the time of audit.
16. Asset register
17. Financial Regulations