

Internal Audit Service for Donyatt PC

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2020 edition of "Governance and Accountability in Local Councils in England - A Practitioners Guide"

Signed: *Kevin Dyer*

1 Internal Control	2 Tests	3 IA Response	4 Minute ref if appropriate/Comments
Previous Internal Audit Report	Do the minutes record that the Council has considered the Internal Audit Report for the previous year and matters arising addressed?	✓	20/75 16.7.20
Proper bookkeeping	Is the cashbook maintained and up to date?	✓	
	Is the cashbook arithmetically correct?	✓	
	is the cashbook regularly balanced?	✓	
Payment Controls	Has the Council formally adopted Standing Orders and Financial Regulations?	✓	Standing Order - 16/115 12.9.16 - needs review ✓ Financial Regs -19/100 9.9.19
	Has a Responsible Financial Officer been appointed?	✓	Contract
	Have items or services above a de minimus amount be competitively purchased and minuted?	✓	
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	✓	

	Has VAT on payments been identified, recorded and reclaimed? Is Section 137 expenditure separately recorded and within statutory limits?	✓	VAT for 19/20 & Vat for 20/21 will be reclaimed
Powers	General Power of Competence - is the council eligible	No	
	When did the council resolve to use GPC?	N/A	
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?	NO	
	Do the minutes record the Council carrying out an annual risk assessment	✓	General Risk Assessment 21/31 8.3.21 + COVID
	is the insurance cover appropriate and adequate?	✓	
	Have agreed audit recommendations been implemented	✓	
Budgeting Controls	Has the Council prepared an annual budget in support of its precept?	✓	21/11 11.1.21
	Is actual expenditure against the budget regularly reported to Council?	✓	
	Are there any significant unexplained variances from budget?	NO	
	Are there adequate reserves or balances	✓	
	Is income properly recorded and promptly banked?	✓	
Income Controls	Is all income due to the Council collected	N/A	
	Do prices charged agree with those set my Council	N/A	

	Are security controls over cash adequate and effective?	N/A	
	Does the precept recorded in the cashbook agree to the District Council's notification?	✓	
	Are investments portfolio being effectively managed	N/A	
Petty Cash Procedures	Are there receipts for cash received?	N/A	
	Is received cash recorded?	N/A	
	Is petty cash expenditure reported to the Council?	N/A	
Payroll Controls	Do all employees have Contracts of Employment	✓	
	Do salaries paid agree with those approved by Council?	✓	
	Are other payments to the Clerk reasonable and approved by the Council?	✓	
	Has PAYE/NI been properly operated by the Council as an employer	✓	
	Has the correct net pay been made to the employee	✓	
	Have pension contributions been correctly calculated and paid over		Clerk has opted not to take a pension
	Does the Council keep an Asset Register of all material owned?	✓	
Asset Controls	Is the Register up to date?	✓	
	Do asset insurance valuation agree with the Register?	✓	
	Is there bank reconciliation for each bank account?	✓	
Bank Reconciliation			

	Is the bank reconciliation carried out regularly on the receipt of statements?	✓		
	Are there any unexplained balancing entries in any reconciliation?	NO		
Minutes	Are the minutes signed?	✓	COULD	
	Are loose pages consecutively numbered?	✓		
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	✓		
	Do the accounts agree with the cashbook?	✓		
	Is there an audit trail from underlying financial records in the accounts?	✓		
	Are investments verified by statements or passbooks	N/A		
	Are there any obvious errors or inconsistencies in the financial statements	NO		
	Do the figures on AGAR Section 2 of the Annual Return agree with the financial statements	✓		
	Custodian or managing trustees	Are the Charity's fund kept separate from those arising from local government activity?	N/A	
		Is the income of the charity paid into the charity bank account?	N/A	
		Does the Asset Register include a mention of the Assets held and clearly states that they are held on charitable trust?	N/A	