



Internal Audit Report
Year ending: 31st March 2014

Name of Council:	Debenham Parish Council
Income:	£ 87,007.76
Expenditure:	£ 70,797.52
Precept figure:	£ 64,297.00
General Reserve:	£ 63,532.44
Earmarked Reserves:	£ 80,186.51

Subject	Requirements	Comments/Recommendations
1. Proper Book-keeping	<p>Cash book updated regularly.</p> <p>S137 separately recorded and minuted.</p> <p>Correct arithmetic and balancing.</p>	<p>Omega accounts package used. All were found to be in order.</p> <p>All were found to be in order.</p> <p>Spot checks were made and were found to be correct.</p>
2. Financial regulations, standing orders, payment controls	<p>Evidence that standing orders and financial regulations have been adopted.</p> <p>VAT is identified and reclaimed.</p> <p>Supporting paperwork for payments, invoices, and appropriate authorisation</p>	<p>Standing orders were reviewed and adopted 18 February 2013. Financial regulations were reviewed and adopted 17 March 2014.</p> <p>VAT totalling £6,574.42 was reclaimed for the period 1 October 2011 to 31 March 2013 on 27 March 2014.</p> <p>VAT totalling £4,181.57 was reclaimed for the period 1 April 2013 to 31 March 2014 on 15 April 2014.</p> <p>12 payments were selected and cross checked against cheque book, cash book, bank statement, invoice and minutes. All were found to be in order.</p>
3. Risk management	<p>Evidence that risks are being identified and managed.</p>	<p>The council's risk and financial risk assessments were seen and were approved by council 17 March 2014.</p> <p>Play area safety inspection was completed on 12th December 2013.</p>

	Insurance cover for Employment and public liability and Fidelity guarantee.	All were found to be in order. Fidelity guarantee cover is £250,000.
4. Budgetary controls	<p>Verifying that the budget has been properly prepared, and agreed.</p> <p>Regular reporting of expenditure and variances from budget.</p>	<p>The budget and precept were agreed at meeting 28 January 2013.</p> <p>A quarterly finance report is received by council.</p>
5. Income controls	<p>Monitoring of precept and any other Income.</p> <p>Reserves General and Earmarked.</p>	<p>The council received precept of £64,297 and council tax support grant of £ 4,780.</p> <p>It was agreed to increase the allotment rents by 10% for 2014/15.</p> <p>The council has reserves of £143,718.95 of these £80,186 51 are earmarked for council projects.</p>
6. Petty cash/expenses procedure	Established system in place, and associated supporting documents	No petty cash is held. Expenses are claimed through the councils normal payment process.
7. Payroll controls	PAYE/ NIC system in place. HMRC RTI.	Evidence seen to support PAYE and payments to HMRC.

8. Asset control	<p>Inspection of Asset register. Asset register reviewed annually. Cross checking of Insurance cover.</p>	<p>Asset register seen for period ending 31 March 2014.</p> <p>Six items checked against insurance policy, all were found to be in order.</p>
9. Bank reconciliation	<p>Regularly completed, reconcile with cash book.</p> <p>Confirm bank balances agree with bank statements.</p>	<p>Bank reconciliations are produced at council meetings when available.</p> <p>Bank balances at year-end: Community account: £12,231.64 Unpresented cheques: £1,958.68 Business saver: £117,792.29 Business saver Woodland: £14,556.18 Community account Woodland: £1,097.52</p> <p>It was noted that the council has over £100,000 in the business saver account earning interest of 0.050%. It may be prudent for the council to create an investment policy and consider making short term investments (6-12months) to maximise income from cash balances held.</p>
10. Year-end procedures	<p>Appropriate accounting procedures used.</p>	<p>Receipts and payments. All were found to be in order.</p>
11. Annual return	<p>Completion of sections of Annual return.</p>	<p>Sections 1 and 2 were completed and signed at the time of internal audit.</p> <p>Section 4 was completed by the internal auditor.</p>

12. Review internal controls	Date review completed.	Statement of internal controls was reviewed and adopted 17 March 2014.
13. Recommendations from previous internal audit – 31 March 2013.		None made.
14. Additional comments		The annual meeting of the parish council was held on 13 May 2013.

Signed

Date

On behalf of Suffolk Association of Local Councils