

INTERNAL AUDIT 2015/16

		RESPONSE	ACTION
Proper bookkeeping	<ol style="list-style-type: none"> 1. Is the cashbook maintained and up to date? 2. Is the cashbook arithmetic correct? 3. Is the cashbook regularly balanced? 	<ol style="list-style-type: none"> 1. <i>A copy of the current spreadsheet was available to view with the latest transaction checked and signed by the Responsible Financial Officer.</i> 2. <i>The spreadsheet is formulated in excel and formula used to auto sum</i> 3. <i>The cashbook (spreadsheet) is reconciled with the bank statements, a current statement was shown and reconciled.</i> 	
a) standing orders and financial regulations adopted and applied; and b) payments controls	<ol style="list-style-type: none"> 1. Has the council formally adopted standing orders and financial regulations? 2. Has a Responsible finance officer been appointed with specific duties? 3. Have items or services above the de minimus amount been competitively purchased? 4. Are payments in the cashbook supported by invoices, authorised and minuted? 5. Has VAT on payments been identified, recorded and reclaimed? 6. Is s137 expenditure separately recorded and within statutory limits? 	<ol style="list-style-type: none"> 1. <i>A current copy of ODPC Financial Regulations was produced, signed and dated. Also a current copy of the ODBC Standing Orders, duly signed and dated</i> 2. <i>An RFO has been appointed, evidenced within the Council Meeting minutes dated 23rd July 2015 point 6.5</i> 3. <i>Under current projects, evidence was shown of two quotations obtained for Tree Cutting services (November 2015), a third was obtained verbally, evidence of these being discussed at Parish Council Meeting dated 19th November 2015, point 3.2</i> 4. <i>The cash book spread sheet was made available, example invoice 14068146 dated 16/5/16 was entered correctly, Spread sheet needs updating to include VAT element</i> 5. <i>VAT payments have been identified, need updating on the Cash book spreadsheet, as yet unclaimed</i> 6. <i>S137 Not separately recorded, copy of document was shown.</i> 	<ol style="list-style-type: none"> 4. <i>Cash book spread sheet to be updated to reflect VAT element</i> 5. <i>VAT to be claimed back</i>

Risk management arrangements	<ol style="list-style-type: none"> 1. Does a review of the minutes identify any unusual financial activity? 2. Do minutes record the council carrying out an annual risk assessment? 3. Is insurance cover appropriate and adequate? 4. Are internal financial controls documented and regularly reviewed? 	<ol style="list-style-type: none"> 1. <i>A sample of minutes were reviewed from the last 12 months and no unusual financial activity recorded.</i> 2. <i>The minutes of council meeting held on 17th September 2015 state that a risk assessment was drafted and distributed by the clerk.</i> 3. <i>The current insurance policy was available for review, with a public liability limit of £10,000.00; there is no understanding of what would constitute appropriate or adequate cover.</i> 4. <i>A spreadsheet (cashbook) is held and updated regularly, copies of current bank statements are filed, checked and signed by the RFO, expenses logs are kept up to date, copies were available for review with receipts.</i> 	<p><i>3.Guidance to be sought from as to what appropriate cover would be.</i></p>
Budgetary Controls	<ol style="list-style-type: none"> 1. Has the council prepared an annual budget in support of its precept? 2. Is actual expenditure against the budget regularly reported to the council? 3. Are there any significant unexplained variances from budget? 	<ol style="list-style-type: none"> 1. <i>Budget record was shown for current year</i> 2. <i>Yes – example shown from Council Minutes dated 21st January 2016 point 3.5, website funding through the transparency fund, listed on the current budget</i> 3. <i>The differences were explained satisfactorily – the ‘Hire of Hall’ budget has doubled, as the previous use of a councillor’s home for the meetings was no longer available, the increase in budget reflects the use of a room in the local public house. The Transparency fund agreed under separate cover through council meetings.</i> 	
Income Controls	<ol style="list-style-type: none"> 1. Is income properly recorded and promptly banked? 	<ol style="list-style-type: none"> 1. <i>A copy of the current account spread sheet was shown, the precept correctly recorded, original bank statement shown with the correct</i> 	

	<ol style="list-style-type: none"> 2. Does the precept recorded agree to the Council Tax authority's notification? 3. Are security controls over cash and near-cash adequate and effective? 	<p><i>amount, statement date 30th October 2015 sheet 107.</i></p> <ol style="list-style-type: none"> 2. <i>A copy of the Parish Receipt Letter for year ending 31st March 2017 was shown, with the correct value recorded.</i> 3. <i>Yes – Correct protocol followed, cheque stubs evidenced with two councillors signatures, and the Clerks signature.</i> 	
Petty cash procedures	<ol style="list-style-type: none"> 1. Is all petty cash spent recorded and supported by VAT invoices/receipts? 2. Is petty cash expenditure reported to each council meeting? 3. Is petty cash reimbursement carried out regularly? 	<ol style="list-style-type: none"> 1. <i>No petty cash used, any incidental purchases are made by the Clerk, then claimed as expenses. Expenses claim form evidenced with relevant receipts and VAT element recorded.</i> 2. <i>Expenses claimed back on an annual basis, previous years expenses totalled £54.30. Full expenses claim form shown, with all receipts.</i> 3. <i>No, done on an annual basis.</i> 	
Payroll Controls	<ol style="list-style-type: none"> 1. Do all employees have contracts of employment with clear terms and conditions? 2. Do salaries paid agree with those approved by the council? 3. Are other payments to employees reasonable and approved by the council? 4. Have PAYE/NIC been properly operated by the council as an employer? 	<ol style="list-style-type: none"> 1. <i>No official contract is in place, as Clerk is not currently an employee of the council, a draft agreement is to be drawn up regarding terms of service for the Clerk.</i> 2. <i>No salary as such is paid at the moment, expenses are claimed on an annual basis via a timesheet. Time sheet shown with all time spent recorded. This was approved by the council in March Council Meeting point 6.6</i> 3. <i>No other payments are made.</i> 4. <i>The Clerk currently is not registered as an employee of the Council, therefore, no PAYE/NIC is applicable.</i> 	

Assets controls	<ol style="list-style-type: none"> 1. Does the council maintain a register of all material assets owned or in its care? 2. Are the assets and Investments registers up to date? 3. Do asset insurance valuations agree with those in the asset register? 	<ol style="list-style-type: none"> 1. <i>Yes – a complete and up to date asset register was shown, needs updating with the replacement value of assets, as currently the purchase prices is shown</i> 2. <i>Yes, latest entry evidenced 13 May 2016 for Laptop and Printer</i> 3. <i>A copy of the current insurance policy was shown, with a £10,000 limit.</i> 	<ol style="list-style-type: none"> 1. <i>Update Asset Register with replacement value of assets.</i>
Bank Reconciliation	<ol style="list-style-type: none"> 1. Is there a bank reconciliation for each account? 2. Is a bank reconciliation carried out regularly and in a timely fashion? 3. Are there any unexplained balancing entries in any reconciliation? 4. Is the value of investments held summarised on the reconciliation? 	<ol style="list-style-type: none"> 1. <i>Current bank reconciliation was shown for each account</i> 2. <i>Yes – dates recorded correctly, monthly interest recorded</i> 3. <i>No unexplained balancing entries</i> 4. <i>No investments summarised on the reconciliation</i> 	
Year-end procedures	<ol style="list-style-type: none"> 1. Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)? 2. Do accounts agree with the cashbook? 3. Is there an audit trail from underlying financial records to the accounts? 4. Where appropriate, have debtors and creditors been properly recorded? 	<ol style="list-style-type: none"> 1. <i>No year end accounts prepared, bank reconciliations available only detailing income and expenditure</i> 2. <i>No cash book, only itemised expenses available, however, all expenses tally with bank reconciliation spread sheet</i> 3. <i>No official accounts in place, or previous audit trail</i> 4. <i>Yes – all properly recorded and evidenced on reconciliation spread sheet</i> 	