

INTERNAL AUDIT 2016/17

| | | RESPONSE | ACTION |
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| 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. A copy of the current spreadsheet was available to view with the last transaction checked and signed. 2. The spreadsheet is formulated in excel and formula used to auto sum. 3. The spreadsheet (cashbook) is reconciled with bank statements, current statement shown and reconciled. | |
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| 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. The current copy of the Financial Regulations and Standing Orders viewed, both signed and dated. 2. RFO appointed within the Council Meeting minutes 23rd July 2015, point 6.5 3. No items above de minimus purchased. 4. Yes 5. Yes, identified, recorded but not reclaimed. 6. No S137 expenditure. | Clerk to reclaim VAT element. |
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| 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. Sample of minutes reviewed, no unusual financial activity. 2. Annual Risk Assessment is on the agenda for discussion and updated for the meeting May 2017. 3. Reviewed May 2016 and new insurance company obtained and adequate. 4. The Minutes evidence review, discussion and agreement. | |

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| 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. Yes, viewed. 2. Yes, evidenced in the Minutes. 3. None noted. | |
| Income Controls | <ol style="list-style-type: none"> 1. Is income properly recorded and promptly banked? 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? | <ol style="list-style-type: none"> 1. Copy of the current spread sheet viewed with credit and debit detailed. 2. A copy of the Parish Precept notification viewed, compliant with DMBC regulations. 3. Correct protocol followed with cheque stubs evidenced with 2 signatures and clerk's signature. | |
| 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. No petty cash used. Expenses claim form used, relevant receipts attached and clerk paid for purchases made. 2. Expenses claimed back, usually on an annual basis and council informed. 3. Done on an annual basis. | |
| 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? | <ol style="list-style-type: none"> 1. The clerk has a draft agreement with terms and conditions, job description and working agreement. 2. No salaries paid at the current time. 3. Yes, expenses agreed and paid. 4. The clerk is currently not registered as an employee of the Council, therefore no PAYE/NIC is applicable. | Chairman to seek advice from YLCA |

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| | 4. Have PAYE/NIC been properly operated by the council as an employer? | | |
| Assets controls | <ol style="list-style-type: none"> Does the council maintain a register of all material assets owned or in its care? Are the assets and Investments registers up to date? Do asset insurance valuations agree with those in the asset register? | <ol style="list-style-type: none"> An up to date Asset Register was viewed. Yes. A copy of the current insurance policy was shown, well within limits. | |
| Bank Reconciliation | <ol style="list-style-type: none"> Is there a bank reconciliation for each account? Is a bank reconciliation carried out regularly and in a timely fashion? Are there any unexplained balancing entries in any reconciliation? Is the value of investments held summarised on the reconciliation? | <ol style="list-style-type: none"> Yes, reconciliations shown for both accounts. Yes, recorded correctly. No unexplained entries. No investments summarised on the reconciliation. | |
| Year-end procedures | <ol style="list-style-type: none"> Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)? Do accounts agree with the cashbook? Is there an audit trail from underlying financial records to the accounts? Where appropriate, have debtors and creditors been properly recorded? | <ol style="list-style-type: none"> No year end accounts prepared, bank reconciliations available detailing income and expenditure. No cash book, all expenses itemised and receipts available and tally with the spreadsheet. Yes. Yes, all recorded and evidenced on spreadsheet. | |

Signed: D A Dobb (March 2017)