

INTERNAL AUDIT 2017-18 - OLD DENABY PARISH COUNCIL

		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. No cashbook, spreadsheet used and up to date. 2. Spreadsheet formulated in excel and auto-sum used. 3. Spreadsheet checked at each meeting, current statement reconciled. 	
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. Financial Regulations and Standing Orders available, duly signed and dated. 2. RFO appointed, evidenced within Council Minutes dated 23rd July 2015. 3. Not applicable. 4. Spreadsheet supported with invoices and each minuted in Council Minutes. 5. VAT identified on spreadsheet, to be reclaimed this year. 6. Not applicable. 	VAT to be reclaimed this year
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. No unusual activity financial activity recorded. 2. Risk Assessment scheduled to be reviewed this year. 3. Current insurance policy available for review, appropriate and adequate. 4. The spreadsheet is updated for every meeting and is an agenda item, so reviewed at every meeting. 	Risk Assessment schedule to be reviewed

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. Annual budget prepared for the precept. 2. Budget and future expenditure discussed at the Council meeting prior to precept 3. No unexplained variances. 	
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. Copies of the current account spread sheet corresponded to the bank statements, recorded promptly. 2. The Parish Receipt letter was available with correct precept value recorded. 3. Correct protocol followed, cheque stubs have 2 councillor signatures and clerk's initials. 	
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. Purchases agreed and made by clerk then claimed back. All expenses recorded. 2. Expenses claimed back on annual basis. Full claim form available with all receipts. 3. Reimbursement carried out on a yearly basis. 	
Payroll Controls	<ol style="list-style-type: none"> 1. Do all employees have contracts of employment with clear terms and conditions? 	<ol style="list-style-type: none"> 1. No employees, only the clerk who is part time. 2. No employees. 3. No other payments made. 	

	<ol style="list-style-type: none"> 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"> 4. No employees therefore no PAYE/NIC applicable. 	
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. Asset Register available to view on website. 2. Asset Register is up to date. 3. Current insurance policy has £10,000 limit. 	
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. Current bank reconciliation was shown for each account. 2. Yes, dates recorded correctly, monthly interest recorded. 3. No unexplained balancing entries. 4. No investments held. 	
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? 	<ol style="list-style-type: none"> 1. Spreadsheet available detailing income and expenditure and year end accounts completed. 2. No cashbook, only itemised expenses and all expenses tally with invoices held. 3. No official accounts or audit trail, all paperwork tallies. 	

	4. Where appropriate, have debtors and creditors been properly recorded?	4. All recorded and evidenced on the reconciliation spread sheet.	
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