

Internal Audit Check

Eltisley Parish Council – y/e 31 March 2015

A Appropriate books of account have been properly kept throughout the year

Check cash book properly written up and balanced	Cash book kept on Scribe system. July and August entries sampled.	1
Verify selection of items against bank statement	July and August payments matched	1

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	New Standing Orders and Financial Regulations adopted Match 2015. Note that it is good practice for the Chair of the meeting to initial and date a copy for the file.	1
Financial Regulations formally adopted and correspond to the latest good practice	See above	1
Has the Council considered the provisions of Appendix 10 of the Practitioners Guide 2014 (Safeguarding Public Money)?	Not as yet	2
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	Payment to Croxton is a special case. Purchase of new swing – a number of quotes were received. Council approved purchase at January meeting	1

B Payments were supported by invoices, expenditure was approved and VAT properly accounted for

Check selection of payments to ensure properly authorised.	July and August payments approved by council. Note that the audit trail would be easier to follow if the cheque numbers were recorded in the minutes.	1
Check vouchers relating to above	Vouchers all in order	1
Check VAT has been properly accounted for (for income, see below)	No issues noted.	1
Additionally check random selection of large payments in cash book	Largest payments were to Croxton Parish Council (£15,000) and NGF Ltd (£2165.23+£5052.21) for new swing. Vouchers in order.	1

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If electronic banking is used ensure that proper procedures are in place as provided for in the new model Financial Regulations.	Not used	-
Check any s137 for amount, validity	Council has GPC so S137 not applicable.	1
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	Regular VAT claims sent. Note that these may have been incorrectly entered into Scribe (code R should be used)	2
C The Council assessed the significant risks to achieving its objectives and had adequate arrangements to manage these		
Formal risk assessment documents available for inspection	Detailed risk assessment documentation for finance and administration risks. Inspections carried out for Play Area but no formal RA documentation	2
Do the minutes record the council carrying out an annual risk assessment?	Not in 2014-2015	2
Is the insurance cover appropriate and adequate – see also H below	Insurance is standard Council cover through Aviva	1
Are internal financial controls documented and reviewed?	RAs cover this	1
D The annual precept requirement resulted from an adequate budgetary process		
Has the Council prepared an annual budget in support of its precept?	Budget approved at meeting 4/1/14	1
Is the precept based upon realistic assumptions including evaluation of required balances?	Schedule attached to minutes considers balances required.	1
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	Budget reports considered at each PC meeting. All come off Scribe	1
Are there any significant unexplained variances?	None	1

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Eltisley Parish Council – y/e 31 March 2015

E Expected income was fully received, based upon correct prices, properly recorded and promptly banked; and VAT was properly accounted for

Precept paid as requested and banked properly	Precept paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	Note unusually large receipt from sale of Village Institute. Allotments now transferred to separate organisation	2
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	Not registered	-

F Petty cash payments were properly supported by receipts, expenditure was approved and VAT properly accounted for

Is all petty cash expenditure supported by VAT receipts?	None	
Is petty cash expenditure regularly reported back to the Council?		
Is reimbursement carried out regularly?		

G Salaries to employees and allowances to members were paid in accordance with council approvals

Do all employees have properly drawn up contracts of employment?	Contract in standard form	1
Has the Council approved all salaries and do payments correspond with these decisions?	Clerk's salary reported at each Council meeting and details approved as part of the general approval process.	1
Are other payments (e.g. expense payments) reasonable and properly approved?	Clerk is paid mileage for meetings. Payments approved at meetings	1

G PAYE and NI requirements were properly applied

Check PAYE and NI records including P11, P46 or P45, notices of coding, etc. Alternatively, if a bureau is used, check the records of payments.	HMRC RTI software used. Reports seen.	1
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Check end of year returns including P35, P14 or, if a bureau is used, check that the documentation is in order.	P60 for Clerk in order	1
H Asset and investment registers were complete and accurate and properly maintained		
Does the Council have an Asset Register and is it regularly maintained?	Basic list of assets maintained	1
Ensure assets purchased during year (see minutes) are recorded	Swing correctly included	1
Do asset insurance values correspond to values in the asset register?	Inspection of schedule indicates cover is adequate (note that full matching of values not carried out)	1
I Periodic and year-end bank account reconciliations were properly carried out		
Check for regular (monthly / quarterly) bank reconciliations for all accounts	Regular reconciliations carried out and noted by the Council.	1
Are reconciliations accurate and do they contain no unexplained items?	No issues. Bank error of £300 was detected and rectified.	1
Are investments recorded on the reconciliations?	None	-
J Year-end accounts were prepared on the correct accounting basis, agreed with cash book, were supported by an adequate audit trail from underlying records		
Are year-end accounts produced on the correct basis R&P or I&E)?	R&P	1
Verify accounts to cash book	Accounts automatically produced by Scribe.	1
Is there an audit trail from underlying financial records to the accounts?	As above. Note that expenses of employment should be included in Box 4 of the Annual Return. Clerk has agreed to amend this.	2
Verify debtors and creditors (I&E only)	N/A	

Levels of assurance: 1 – high, 2 – substantial, 3 – limited, 4 – minimal, n/c – not covered at this visit

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