

Internal Audit Check

Upwood and the Raveleys Parish Council – y/e 31 March 2016

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

Check cash book properly written up and balanced	Book on spreadsheet as before. October payment s chosen for examination	1
Verify selection of items against bank statement	Bank statement transactions matched	1

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	All in order	1
Financial Regulations formally adopted and correspond to the latest good practice	All in order	1
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	Grass contract renewed during the year. Three quotations considered by the Council at the November meeting.	1

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

Check selection of payments to ensure properly authorised.	All payment properly authorised at October parish Council meeting	1
Check vouchers relating to above	Invoices etc. seen for payments	1
Check VAT has been properly accounted for (for income, see below)	VAT properly analysed	1
Additionally check random selection of large payments in cash book	Three payments over £1,000.. Invoices seen and in order	1
If electronic banking is used ensure that proper procedures are in place as provided for in the new model Financial Regulations.	Electronic banking with Unity Trust. Clerk sets up payments and two councillors approve.	1

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Check any s137 for amount, validity	None	-
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	One VAT repayment in March. Received at end of March	1
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	Records of inspections are available. Risk Management policy includes assessment of all risks.	1
Do the minutes record the council carrying out an annual risk assessment?	Approved May 2015 due for review at May 2016 meeting	1
Is the insurance cover appropriate and adequate – see also H below	New policy being negotiated. Council should check that Fidelity Insurance is adequate.	1
Are internal financial controls documented and reviewed?	Covered in Risk Management policy document	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 was properly prepared and approved at meeting in October 2014.	1
Is the precept based upon realistic assumptions including evaluation of required balances?	Precept properly assessed and approved at December meeting (£22,000)	1
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	Monthly reports presented to every Council meeting.	1
Are there any significant unexplained variances?	All variances adequately explained (RAG traffic light system in place)	1

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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	Single instalment paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	Grant for £3,000 from Ramsey windfarm trust. Small number of interments. Burial of Freda Greenwood (July 2015) traced through system.	1
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 of employment. No change	1
Has the Council approved all salaries and do payments correspond with these decisions?	Clerk's pay increase approved in September 2015	1
Are other payments (e.g. expense payments) reasonable and properly approved?	£10 per month for use of home + some mileage. All approved at Council meetings	1

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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.	All handled by HMRC software	1
Check end of year returns including P35, P14 or, if a bureau is used, check that the documentation is in order.	As above	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?	Detailed asset register prepared according to guidelines in Practitioners' Guide	1
Ensure assets purchased during year (see minutes) are recorded	All added	1
Do asset insurance values correspond to values in the asset register?	Insurance values being revised	1

I Periodic and year-end bank account reconciliations were properly carried out

Check for regular (monthly / quarterly) bank reconciliations for all accounts	Monthly reconciliations presented to the Council and signed by the Chairman.	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
Are investments recorded on the reconciliations?	None	-

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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)?	Annual return figures were initially incorrect because of netting off King's Ripton costs. This has been corrected	1
Verify accounts to cash book	See above. Corrected	1
Is there an audit trail from underlying financial records to the accounts?	Yes	1
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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