

Internal Audit Check

Upwood and the Raveleys 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 spreadsheet as in previous year. June entries (cheques 101416-101422)	1
Verify selection of items against bank statement	All payments matched to bank statements	1

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	Standing Orders to new model adopted May 2014.	1
Financial Regulations formally adopted and correspond to the latest good practice	New regulations adopted January 2015. These include electronic banking rules	1
Has the Council considered the provisions of Appendix 10 of the Practitioners Guide 2014 (Safeguarding Public Money)?	Not as yet	
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	None apart from £640 legal fees.	-

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

Check selection of payments to ensure properly authorised.	Payments for June approved at Council meeting	1
Check vouchers relating to above	Invoices in order	1
Check VAT has been properly accounted for (for income, see below)	VAT analysed in separate column	1
Additionally check random selection of large payments in cash book	Legal fees (as above)	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.	Follow the rules in new FRs.	1
Check any s137 for amount, validity	Single payment for WW1 event	1
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	Single claim. Paid by BACS	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	RA documentation is thorough but being consolidated	1
Do the minutes record the council carrying out an annual risk assessment?	May 2014 for example	1
Is the insurance cover appropriate and adequate – see also H below	Standard Council policy with Zurich	1
Are internal financial controls documented and reviewed?	Fincial regulations	
D The annual precept requirement resulted from an adequate budgetary process		
Has the Council prepared an annual budget in support of its precept?	Carried out in December 2013 and minuted.	1
Is the precept based upon realistic assumptions including evaluation of required balances?	Precept properly calculated	1
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	Regular reports using profiled budgets reported to Council every month. Review not explicitly minuted; good practice is that this fact should be reported in the minutes.	1
Are there any significant unexplained variances?	None	-

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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	2 instalments of £10,000	1
Is other income properly accounted for and are adequate procedures in place?	Small amount of income for burial fees. Burial records and paying in evidence seen.	1
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	Council is not registered	1
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	1
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?	New employment contract model for Clerk signed August 2014. Cemetery officer has old contract which appears adequate.	1
Has the Council approved all salaries and do payments correspond with these decisions?	Salary changes to correspond with new LG pay scales approved by Council at December meeting. All payments approved by Council	1
Are other payments (e.g. expense payments) reasonable and properly approved?	Expenses paid at 45p per mile. Allowance for £10 per month paid.	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 software. Print-outs in R&P folder	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.	P60s seen	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?	Asset register needs some checking	2
Ensure assets purchased during year (see minutes) are recorded	Added litter bin £548.	1
Do asset insurance values correspond to values in the asset register?	Values match	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 signed by Chairman	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
Are investments recorded on the reconciliations?	Small investment not included. Not material	2
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	Error detected in Annual return and corrected. Asset register values need to be checked.	2
Is there an audit trail from underlying financial records to the accounts?	N/A	1
Verify debtors and creditors (I&E only)		

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

Michael Williamson
MiJan Ltd
The Willows, Long Drove
Waterbeach, Cambridge CB25 9LW
Tel: 01223 860899
Mob: 07836 74858
Registered in England. Company number 1788401