

## Internal Audit Check

### Upwood and the Raveleys Parish Council – y/e 31 March 2013

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

Check cash book properly written up and balanced	Cash book kept on simple spreadsheet. Roughly 60 entries for the year. Examine July entries in more detail	1
Verify selection of items against bank statement	July items all match cash book	1

#### **B The Council's Financial Regulations have been met**

Standing Orders and Financial Regulations formally adopted	No change since last year	1
RFO appointed	Clerk is RFO	1
Check selection of large purchases to ensure FRs followed	Grass cutting payments to Andy Davis total £3,365 over the year. Contract was under review at the year end	1

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

Check selection of payments to ensure properly authorised.	Payments on cheques 291-296 properly approved at meeting on 2/7/12	1
Check vouchers relating to above	Invoices for July payments seen	1
Check VAT has been properly accounted for	Small amount of VAT analysed in separate column in cash book	1
Additionally check random selection of large payments in cash book	Apart from payment to Moore Stevens in respect of additional audit costs no large individual payments.	1
Check any s137 for amount, validity	Total of £875 including Village Newsletter and Jubilee Party.	1
Check VAT reclaim(s) during the year	VAT received for 2011-2012 but not yet reclaimed for 2012-2013	2

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#### **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	The Council has started the risk assessment process. There is a basic document available which covers part of the Council's activity, but this is not complete	3
Do the minutes record the council carrying out an annual risk assessment?	No	3
Is the insurance cover appropriate and adequate – see also H below	Council is insured through Suffolk ACRE under standard policy from Zurich	1
Are internal financial controls documented and reviewed?	Financial Regulations are adequate	1

#### **D The annual precept requirement resulted from an adequate budgetary process**

Has a budget been prepared?	Budget approved 5/12/2011. No copy of the budget is filed with the minutes but the budget appears on all budget reports submitted to the Council during the year.	2
Is the precept based upon realistic assumptions including evaluation of required balances?	Precept of £15,400 agreed at the above meeting. The Council holds balances of £23,366 which are more than one year's expenditure.	2

#### **D Progress against the budget was regularly monitored and reserves were appropriate**

Review existence and adequacy of budgetary reports	There are no regular budget monitoring reports presented to the Council although they do see the monthly bank reconciliations	3
Are there any significant unexplained variances?	See above	2

#### **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	Paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	Receipts correspond to burials in the register. Allotment records kept on spreadsheet More details to be looked at next year	2

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#### **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 and to a proper imprest system?		

#### **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?	Standard NALC/SLCC contract for Clerk signed 1/11/12.	1
Has the Council approved all salaries and do payments correspond with these decisions?	Salaries all approved and payments approved as made.	1
Are other payments (e.g. expense payments) reasonable and properly approved?	As above. Mileage paid for attending meetings	1

#### **G PAYE and NI requirements were properly applied**

Check PAYE and NI records including P11, P46 or P45, notices of coding, etc	There has been some confusion during the year in regards to the Clerk's tax status. This has now been resolved	2
Check end of year returns including P35, P14	End of year returns were submitted late but this was due to the above confusion	2

#### **H Asset and investment registers were complete and accurate and properly maintained**

Check asset registers and ensure they are verified	Simple asset register adequate for purchase	1
Ensure assets purchased during year (see minutes) are recorded	Assets purchased added. In addition a telephone box was added to the asset register. Register was approved by Council 4/2/13	1
Do insurance values correspond to values in the asset register?	All up to date	1

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

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Check for regular (monthly / quarterly) bank reconciliations for all accounts	Regular bank reconciliations carried out and reported to the Council	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
Are investments recorded on the reconciliations?	The council seems to have income from some form of investment but the paperwork is not available. The amount involved is very small	3
<b>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</b>		
Are accounts produced on the correct basis?	Receipts and payments	1
Verify accounts to cash book	Verified	1
Review audit trail from cash book to final accounts (I&E only)		-
Verify debtors and creditors (if appropriate)		-

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

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