

## Internal Audit Check

### Upwood and the the Raveleys Parish Council – y/e 31 March 2014

#### **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 as last year. Total of 90 transactions.	1
Verify selection of items against bank statement	Selection of items checked and matched	1

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

Standing Orders and Financial Regulations formally adopted	Standing orders (2012) in operation and to be reviewed following NALC standard. FRs reviewed in November 2013 and will be updated on May 2014	1
RFO appointed	Clerk is RFO	
Check selection of large purchases to ensure FRs followed	Largest payments were legal fees and for tree work. Three estimates obtained for latter. This refers to work on trees in the open churchyard and so in the absence of a specific statutory power this should be included in S137 expenditure	2

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

Check selection of payments to ensure properly authorised.	September payments properly approved.	1
Check vouchers relating to above	Invoices seen	1
Check VAT has been properly accounted for	VAT analysed in separate column in cash book	1
Additionally check random selection of large payments in cash book	See above. Only two payments relevant and both properly made	1
Check any s137 for amount, validity	See note above concerning churchyard trees	2
Check VAT reclaim(s) during the year	Claim for two years made at end of March	1

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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	Good progress made on carrying out RA process. Comprehensive list presented	2
Do the minutes record the council carrying out an annual risk assessment?	Matter is under continuous review by the Council. Minutes of March 2014 show process nearly complete	1
Is the insurance cover appropriate and adequate – see also H below	Liability cover at standard levels – Suffolk Acre standard policy with Zurich	1
Are internal financial controls documented and reviewed?	No but small council so adequate procedures in place	2

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

Has a budget been prepared?	Budget was not prepared in great detail at start of year. However has been revised since to add detail	2
Is the precept based upon realistic assumptions including evaluation of required balances?	Precept was increased to take into account loss of grant	2

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

Review existence and adequacy of budgetary reports	Councillors receive electronic copies of cash book and progress against budget each month.	1
Are there any significant unexplained variances?	None	1

#### **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	No issues	1
Is other income properly accounted for and are adequate procedures in place?	It appears that some allotment income which should have been allocated to charitable funds of which the Council is sole trustee has been incorporated into the Council's accounts. The current Clerk is addressing this issue and is trying to resolve the situation. Burials to be fully looked at next year	3

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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?	Cemetery officer has contract. Clerk is presently voluntary.	1
Has the Council approved all salaries and do payments correspond with these decisions?	No changes	1
Are other payments (e.g. expense payments) reasonable and properly approved?	Mileage payments to Clerk	1

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

Check PAYE and NI records including P11, P46 or P45, notices of coding, etc	PAYE operated using real time. Records in order	1
Check end of year returns including P35, P14	Year end completed	1

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

Check asset registers and ensure they are verified	Simple asset register as last year	1
Ensure assets purchased during year (see minutes) are recorded	Laptop	1
Do insurance values correspond to values in the asset register?	Yes	1

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

Check for regular (monthly / quarterly) bank reconciliations for all accounts	Bank reconciliations circulated to all councillors monthly since new Clerk appointed. Some gaps in previous months	2
Are reconciliations accurate and do they contain no unexplained items?	None	1
Are investments recorded on the reconciliations?	n/a	

#### **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 accounts produced on the correct basis	Receipts and payment	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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