

## Internal Audit Check

### Bluntisham Parish Council – y/e 31 March 2017

#### **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. July transactions selected for detailed examination	1
Verify selection of items against bank statement	July transactions matched	

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

Standing Orders formally adopted and correspond to the latest good practice	Council uses NALC model	1
Financial Regulations formally adopted and correspond to the latest good practice	Current document does not include the full procedures in the model relating to internet banking nor the reference to the recent Contracts regulations. The Council should compare their current document against the model and consider updating their regulations accordingly.	2
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	Major purchases during the year of new Play and Outdoor Exercise equipment. Clerk has described the detailed consultation procedure adopted. Minute of 1 June 2016 approved purchase with associated budget. Procedures were in compliance with the Financial Regulations in force at the time (but note comment above)	1

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

Check selection of payments to ensure properly authorised.	July payments list seen and signed off by Councillors	1
Check vouchers relating to above	Invoices seen and all in order	1
Check VAT has been properly accounted for (for income, see below)	No issues	1
Additionally check random selection of large payments in cash book	Payment to HAGS dated 31 October 2016 checked and 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.	Procedures as described to me by the Clerk appear to be adequate. However note my comments above about Financial Regulations.	2
Check any s137 for amount, validity	None apart for wreath at Remembrance	1
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	Registered for VAT and monthly returns sent	1
<b>C The Council assessed the significant risks to achieving its objectives and had adequate arrangements to manage these</b>		
Formal risk assessment documents available for inspection	Council has added Financial Risks.	1
Do the minutes record the council carrying out an annual risk assessment?	Minute seen 16 May 2016	1
Is the insurance cover appropriate and adequate – see also H below	Standard policy	1
Are internal financial controls documented and reviewed?	Procedures documented and approved 16 May 2016	1
<b>D The annual precept requirement resulted from an adequate budgetary process</b>		
Has the Council prepared an annual budget in support of its precept?	Prepared and approved 7 December 2015	1
Is the precept based upon realistic assumptions including evaluation of required balances?	No issues	
<b>D Progress against the budget was regularly monitored and reserves were appropriate</b>		
Review existence and adequacy of budgetary reports	Monthly reports presented to Council with Finance committee also meeting to review progress	1
Are there any significant unexplained variances?	None	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	Paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	Village Hall and allotment income procedures noted. VAT charged on VH hire. Detailed procedures not examined this year	1
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	See above.	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	
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?	Yes	1
Has the Council approved all salaries and do payments correspond with these decisions?	All employees paid after submitting timesheets. Two Councilllors authorise Clerk, Clerk authorises other employees	1
Are other payments (e.g. expense payments) reasonable and properly approved?	All payments authorised at meetings. Mileage is currently not reimbursed	1

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

Check PAYE and NI. Alternatively, if a bureau is used, check the records of payments.	Payroll uses Payroll Manager software. Tis also handles pension requirements	1
Check end of year returns or, if a bureau is used, check that the documentation is in order.	No issues	1

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

Does the Council have an Asset Register and is it regularly maintained?	New format register as noted last year. Total corresponds to amount on Annual Return	1
Ensure assets purchased during year (see minutes) are recorded	Play equipment added	1
Do asset insurance values correspond to values in the asset register?	No issues	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 each month signed off by two Councillors.	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	-
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	July verified. Other totals balance with Bank Reconciliation	1
Is there an audit trail from underlying financial records to the accounts? (I&E only)	N/A	
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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