

## Internal Audit Check

### Bluntisham 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 | Cash book kept on spreadsheets. It is also published on the Council's website. Transactions for February 2016 examined (cheques 3785-3792) | 1 |
| Verify selection of items against bank statement | Bank statements match payments   | 1 |

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

|   |   |   |
|---|---|---|
| Standing Orders formally adopted and correspond to the latest good practice       | NALC model standing orders adopted May 2015.                  | 1 |
| Financial Regulations formally adopted and correspond to the latest good practice | Financial regulations based on NALC model adopted in May 2015 | 1 |
| RFO appointed and clear duties listed   | Clerk is RFO  |   |
| Check selection of large or unusual purchases to ensure FRs followed              | None identified   |   |

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

|  |  |   |
|--|--|---|
| Check selection of payments to ensure properly authorised.   | All authorised at Council meeting  | 1 |
| Check vouchers relating to above   | Invoices seen for all payments   | 1 |
| Check VAT has been properly accounted for (for income, see below)  | Analysed in cash book  | 1 |
| Additionally check random selection of large payments in cash book   | None identified  | - |
| If electronic banking is used ensure that proper procedures are in place as provided for in the new model Financial Regulations. | Council is considering introducing online banking but this was not done until 16-17 year | - |

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|   |   |   |
|---|---|---|
| Check any s137 for amount, validity   | One small payment   | 1 |
| Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records. | Council is VAT registered. Copies of VAT returns on file.   | 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   | Comprehensive set of RAs for physical risks. Council should consider extending these to other risks (e.g. financial) and instituting an annual review | 1 |
| Do the minutes record the council carrying out an annual risk assessment?   | Reviewed at Annual Council meeting  | 1 |
| Is the insurance cover appropriate and adequate – see also H below  | Policy is standard form from Zurich. Check on size of Fidelity guarantee.   | 1 |
| Are internal financial controls documented and reviewed?  | Financial regulations cover this  | 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?  | Budget discussed and approved at December 2014 meeting.   | 1 |
| Is the precept based upon realistic assumptions including evaluation of required balances?  | No issues   | 1 |
| <b>D Progress against the budget was regularly monitored and reserves were appropriate</b>  |   |   |
| Review existence and adequacy of budgetary reports  | Detailed budget reports presented to every meeting. Fully discussed and minuted. These are also published on the Council's website.                   | 1 |
| Are there any significant unexplained variances?  | If there are significant variances then these are discussed in detail (e.g. January 2016 identified large overspend in allotments budget)             | 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  | Precept by BACS  | 1 |
| Is other income properly accounted for and are adequate procedures in place?             | Hall bookings diary seen. Some entries checked (badminton September). All paperwork in order | 1 |
| If appropriate, is the Council VAT registered and, if so, is VAT being properly charged? | Council is VAT registered and VAT is charged on all hall lettings                            | 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?                       | No change                      | 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?           | Approved with monthly payments | 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. | PAYE carried out using HMRC software. Print-outs files with invoices each month. All appear to be in order | 1 |
| Check end of year returns including P35, P14 or, if a bureau is used, check that the documentation is in order.                                 | No issues  | 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? | New format asset register was inspected by councillors and verified by a walk-around in May 2015 | 1 |
| Ensure assets purchased during year (see minutes) are recorded          | Community marquee purchased, gang mowers sold  | 1 |
| Do asset insurance values correspond to values in the asset register?   | Brief check of values indicates all satisfactory.  | 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 are carried out and circulated to members. These are signed off by the Chair of the finance committee. I have some reservations about the method used for the intermediate reconciliations, but the final reconciliation is carried out to the recommended method. | 1 |
| Are reconciliations accurate and do they contain no unexplained items?        | No issues  | 1 |
| Are investments recorded on the reconciliations?                              | No investments   | - |

## Internal Audit Check

**Bluntisham Parish Council – y/e 31 March 2016**

**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)?           | Receipts and payments used         | 1 |
| Verify accounts to cash book   | Figures on AR agree with cash book | 1 |
| Is there an audit trail from underlying financial records to the accounts? | 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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