

Internal Audit Testing - Adequacy of systems of control - 01/04/23 to 31/03/24

Internal control

		Yes (/)/No (x)	
Proper Book keeping	Is the cashbook maintained and up to date	✓	
	Is the cashbook arithmetic correct	✓	
	Is the cashbook regularly balanced	✓	
a) Standing orders and Financial Regulations adopted & applied, and	Has the council formally adopted standing orders and financial regulations	✓	May 2023 & next May 2024
	Has a responsible Financial Officer been appointed with specified duties	✓	
	Have items or services above a deminimus amount been competitively purchased	✓	
	Are payments in the cashbook supported by invoices, authorised and minuted	✓	
b) Payments control	Has VAT on payments been identified, recorded and reclaimed	✓	
	Is S 137 expenditure separately recorded and within statutory limits	N/A	
Risk management arrangements	Does a scan of the minutes identify any unusual financial activity	X	May 2023 & next May 2024
	Do the minutes record the council carrying out an annual risk management	✓	
	Is insurance cover appropriate and adequate	✓	
	Are internal financial controls documented and regularly reviewed	✓	
Budgetary controls	Has the council prepared an annual budget in support of its precept	✓	
	Is actual expenditure against the budget regularly reported to the council	✓	
	Are there any significant unplanned variances from budget	X	
Income controls	Is income properly recorded and supported by VAT invoices/receipts	✓	
	Does the precept recorded in the cashbook agree to the District councils notification	✓	
	Are security controls over cash adequate and effective	✓	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT receipts/invoices	N/A	
	Is petty cash expenditure reported to each council meeting	N/A	
	Is petty cash reimbursement carried out regularly	N/A	
Payroll controls	Do salaries paid agree with those approved by the council	✓	
	Are other payments to the Clerk reasonable and approved by the council	✓	
	Has PAYE/NIC been properly operated by the council as an employer	✓	
Asset controls	Does the Council keep an asset register of all material assets owned	✓	
	Is the Asset/Investment register up to date	✓	
	Do asset insurance valuations agree with those in the asset register	✓	
Bank reconciliation	Is there a bank reconciliation for each account	✓	
	Is bank reconciliation carried out regularly on the receipt of statements	✓	
	Are there any unexplained balancing entries in any reconciliation	X	
Year end procedures	Are year end accounts prepared on the correct accounting basis	✓	
	Do accounts agree with the cash book	✓	
	Is there an audit trail from underlying financial records to the accounts	✓	
	Where appropriate, have debtors and creditors been properly recorded	N/A	

Detailed areas to check on Audit - 01/04/23 to 31/03/24

Proper Book Keeping

Are books checked regularly ?
 Are books arithmetically correct and checked ?
 Are all items regularly reconciled to the bank Statements etc ?

Purchase orders

Are there the correct number of estimates, quotes etc (as per standing orders) ?
 That proper purchase authority by council or officers (under clear delegated powers) is in place ?
 Has proper legal power been identified for the expenditure ?

Purchase payments

That the supporting paperwork confirms that there is a fully approved invoice and authorisation for the payment ?

Are there separate records kept for Section 137 expenditure ?
 Is Section 137 expenditure within set limits (check annually) ?

Check that payments of interest and principal in respect of loans are in accordance with agreed schedules ?

Official order/ Creditor Payments

Date ?
 Name of supplier ?
 Details of goods &/or services ?
 Does order have estimated value of invoice ?
 Is order signed by authorised Finance Officer etc ?

Is order marked when invoice paid ?

Are payments detailed in minutes for authorisation to pay ?

Is invoice recorded in Receipts & Payments record ?
 Is VAT accounted for correctly in Receipts & Payments ?
 Is VAT accounted for correctly in the VAT return ?

Is cheque signed by authorised signatures ?
 Is the Cheque made out to name on order/invoice ?

Insurance & Risk Arrangements

Does the Parish hold valid insurance certificates ?
 Are insurance levels and types annually reviewed at council meetings ?
 Does insurance cover all risks adequately ?
 Are all systems regularly reviewed at council meetings (annually)?

Budget setting/ monitoring

Is there a formal procedure for budget setting ?
 How many people involved ?
 Is budget to actual monitored on a regular/ongoing basis ?
 Is budget to actual monitoring reported regularly to council meetings ?
 Are variances from budget investigated/checked ?
 Is a budget set for 137 Expenditure (check value calc) can't over spend ?
 Is section 137 expenditure monitored ?
 Check adequate level of reserves (should not be more than precept unless for specific purpose) ?
 Are reserves general or for specific schemes ?

Yes (/) No (x)	Notes
✓	
✓	
✓	Monthly
✓	
✓	
✓	
✓	
N/A	No expenditure on section 137 incurred or budgeted for.
N/A	No expenditure on section 137 incurred or budgeted for.
X	Do not have any loans. Only investment Bond which they receive interest on and 2 bank accounts
	No official printed orders with sequential numbering
	All invoices paid are passed through Clerk & Parish meetings
N/A	
✓	
✓	
✓	Claim for 2023-24 completed and submitted on 7th April 24
✓	
✓	Main account 3 signatures. All payments now made by online banking / DP's with full checking process undertaken at meetings.(1 cheque was used in 23-24)
✓	
✓	All insurance renewal date (May each year)
✓	All items fully covered
✓	Last reviewed March / May 2023, next due June 2024
✓	Clerk and assistant completes, discusses with Chairman then presents to council for authorisation. Authorisation within the minutes.
2	Assitant Clerk retired July 23
✓	
✓	
✓	
N/A	
N/A	
✓	£59.4K as per the close of 2023/24 annual return of which £19.8K identified for specific future projects
Mixture	See above

Income

	N/A	No buildings / Room hire as have no buildings
Are all bookings kept in a diary ?	✓	For burial details only, as paper work acts as invoice and receipt
Are all invoices raised from information contained in diary ?	✓	Burials
Does the value of invoice match to fees & charges list ?	N/A	
Are hall hiring / fees etc paid in advance ?	N/A	
Are hall hiring / fees etc paid on the day of event ?	N/A	
Are hall hiring / fees etc paid in arrears & are invoices issued promptly ?	N/A	
Are there any long term debtors ?	✓	
If any long term debtors, are they being investigated to recover money ?	✓	
Is all income entered into Rec. & Payments cash book promptly ?	✓	
Are receipts issued for all monies received as proof of receipt ?	✓	
Is Vat accounted for correctly ?	✓	
Is precept received and banked promptly ?	✓	Bacs
Is all other income banked promptly ?	✓	

Petty Cash

Does the council operate a Petty Cash float ?	No	
Is all expenditure incurred fully recorded and approved at council meetings ?	N/A	
Is reimbursement of petty cash float completed regularly ?	N/A	
Is physical petty cash value checked to records by independent person ?	N/A	

Are there any parish council employees ?
 Are they paid regularly ? (weekly/monthly)
 Have any pay increases / changes to contracts had the approval of the council before being actioned ?
 Is the pay a set amount per month ?
 Is it documented in the minutes (each payment) ?
 Has Tax & National Insurance been calculated and accounted for correctly ?
 Have all entries been entered into Rec. & Payments book ?
 Has Tax & National Insurance been paid over on time to relevant department ?

✓	Clerk and Assistant Clerk (retired July 23)
Monthly	
✓	
✓	Plus expenses, Phone & Sundry Stationary etc.
✓	
✓	
✓	
✓	

Asset control

Is there an asset register ?	✓	
Is it updated regularly ?	✓	
Is insurance cover adequate for asset values ?	✓	
Are details reported to Parish council meetings ?(minimum annually)	✓	

Bank Reconciliation

Does the balance on Bank Reconciliation match bank statement ?	✓	
Does balance on Receipts & Payments match bank statement balance ?	✓	
If not, has it been reconciled ?	N/A	
Verify figures used for Receipts & Payments match to cash book ?	✓	
Are there any out of date cheques or cheques above one month old outstanding ?	✓	

Year end procedures

Is appropriate accounting basis used ?	✓	
Can all figures in the Financials Statements be followed from the working papers ?	✓	
Check lists of Creditors ? (validity)	N/A	
Check lists of Debtors ? (validity)	N/A	

VAT Return

Are they completed regularly & on time ?	✓	Claim for 2023-24 completed and submitted on 7th April 24
Do figures used match receipts & payments book ?	✓	
Are the claim totals & Rec. & payments totals checked cumulatively to avoid any errors ?	✓	