

Internal Audit Check

Fornham St Martin cum St Genevieve Parish Council – y/e 31 March 2018

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. January-February 2018 entries chosen for detailed examination	1
Verify selection of items against bank statement	Verified	1

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	Follow NALC model	1
Financial Regulations formally adopted and correspond to the latest good practice	FRs amended in November 2016 to cover latest amendments.	1
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	Largest expenditure was on play area repairs. Three quotes were received and the contract was properly approved in November 2017	1

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

Check selection of payments to ensure properly authorised.	January-February payments approved at Council meetings	1
Check vouchers relating to above	All in order	1
Check VAT has been properly accounted for (for income, see below)	VAT in recorded in a separate column in the cash book	1
Additionally check random selection of large payments in cash book	Largest payments are to Playscapes Design Ltd. Invoices in order	1
If electronic banking is used ensure that proper procedures are in place as provided for in the new model Financial Regulations.	Not yet used	-

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Check any s137 for amount, validity	A number of grants were made in July 2017. Some of these were made using S137 powers although this is not formally minuted. The Council should be aware of the current discussions on the legality of making grants to PCCs but have checked with SALC who advise that grants to an open churchyard are valid. Detailed advice can be found at http://www.churchcare.co.uk/images/Churches/Local-Authority-Investment-in-Church-Buildings-Guidance.pdf	
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	Repayment received relating to previous year	1
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	As before	1
Do the minutes record the council carrying out an annual risk assessment?	Council discusses risk regularly	1
Is the insurance cover appropriate and adequate – see also H below	Standard Council insurance	1
Are internal financial controls documented and reviewed?	FRs cover this	1
D The annual precept requirement resulted from an adequate budgetary process		
Has the Council prepared an annual budget in support of its precept?	Budget discussions on 12 January 2017.	1
Is the precept based upon realistic assumptions including evaluation of required balances?	Precept of £21,750 set at that meeting. Balances are reasonable	1
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	My recommendation is that the Council should review progress against budgets at least quarterly. I note that a detailed report was presented in January	2

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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	Paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	Other income is advertising for the Bugle	1
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	The Council is not registered. They have checked with SALC the point I raised last year concerning VAT on magazine advertisements and have been advised that there is no problem.	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?	As before	1
Has the Council approved all salaries and do payments correspond with these decisions?	All payments approved by Council	1
Are other payments (e.g. expense payments) reasonable and properly approved?	As above	1

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G PAYE and NI requirements were properly applied

Check PAYE and NI. Alternatively, if a bureau is used, check the records of payments.	Payroll operated by SALC	1
Check end of year returns 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?	Council has detailed asset register	1
Ensure assets purchased during year (see minutes) are recorded	Defibrillator added, street lights removed	1
Do asset insurance values correspond to values in the asset register?	All properly covered	1

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

Check for regular (monthly / quarterly) bank reconciliations for all accounts	Bank reconciliations presented to every meeting of the Council	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
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	Verified to cash book	1
Is there an audit trail from underlying financial records to the accounts? (I&E only)		-

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Verify debtors and creditors (I&E only)		-
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Levels of assurance: 1 – high, 2 – substantial, 3 – limited, 4 – minimal, n/c – not covered at this visit

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