

INTERNAL AUDIT SERVICE FOR LYDLINCH PARISH COUNCIL

AUDIT PROGRAMME - 2014/15

I certify that I have carried out the tests detailed below in accordance with the suggested approach in the 2008 edition of 'Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide'. Where an entry has been made in column 4 the supporting papers are attached.

Signed  Date 28/5/15

1 Internal Control	2 Tests	3 Initial if Yes	4 Report Reference	5 Comments
Previous Internal Audit report	Do the minutes record that The Council has considered the internal audit Report for the previous year and the matters arising addressed.			Blue file Minutes Mtg 23.06.2014 There is no audit report for 14/15. However mtg mins 12.05.14 & 23.06.14 mention the internal audit.
Proper bookkeeping	Is the cashbook maintained and up to date?			Black & red cash book
	Is the cashbook arithmetically correct?			Black & red cash book
	Is the cashbook regularly balanced?			Black & red cash book / statements file. Statements received and balanced every 6 months. Suggest statements are received ¼ ly and reconciled and reported as part of the financial review
Standing orders & Financial regulations	Has the Council formally adopted Standing orders and Financial Regulations?			Previous S/O adopted v 2010 out of date Blue file Policies / S/O's Amended version 2013 adopted 21.05.15 Financial regulations adopted May 21.05.15
	Has a Responsible Financial Officer been appointed?			Contract in place 01.04.15 Clerk is RFO page 2
	Have items or service above de minimis amount been competitively purchased.			Mtg min 12.05.2014 no cost comparison recorded in the minutes.
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?			Blue accounts file . No paperwork for direct debits to Talk Talk. Min Mtgs 12.05.14, 23.06.15, 01.09.14, 01.12.14, 12.01.15, 16.03.15 Suggest agendas and minutes have number / letter references for ease of cross reference.
	Is section 137 expenditure			Section 137 expenditure in relation to the Post Office is not recorded as expenditure under

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	separately recorded and within statutory limits			section 137. Within statutory limits see blue file account / budget
	Has VAT on payments been identified an, recorded and reclaimed?			Red & black cash book. VAT on payments are not identified in the cash book . VAT reclaim for 14.15 see blue file accounts / budget.
	Has the general power of competence been adopted? Does the Council meet the criteria to uses the power	N/A		N/A 3 criteria for eligibility not met at Y/E 31.03.15
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?			ND
	Do the minutes record the Council carry out an annual risk assessment?			Mtg 12.05.2014 copy in blue file
	Is insurance cover appropriate and adequate?			Blue accounts file Insurance it is noted that the bench at Lydlinch and notice boards at Lydlinch & Kings Stag are not insured. A renewal calculation sheet for 15.16 shows their addition.
	Are internal financial controls documented and regularly reviewed?			No financial regulations in place therefore no review. Financial regulation adopted 21.05.15
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?			Mtg 20.01.14 & blue accounts file precept
	Is actual expenditure against the budget regularly reported to the council?			No quarterly financial reports. Understand the financial reports made at the meeting 12.05.14 relate to the Village Charities and are just a matter of report and nothing to do with the PC accounts
	Are there any significant unexplained variances in the budget?			Blue file precept budget analysis sheet and explanation of significant variances.
Income Controls	Is income properly recorded and promptly banked?			Black & red cash book only receipt is precept paid by BACS
	Does the precept recorded in the cashbook agree to the District Council's			Black and red cash book & blue accounts file precept copy of demand

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	Notification?			
	Are security controls over cash adequate and effective?			No cash transactions
Petty Cash procedures	Is all petty cash spent recorded and supported by VAT invoices / receipts?			No cash transactions
	Is petty cash expenditure reported to the Council?			No cash transactions
	Is petty cash reimbursement carried out regularly?			No cash transactions
Payroll Controls	Do salaries paid agree with those approved by Council?			Min Mtgs 12.05.14, 23.06.15, 01.09.14, 01.12.14, 12.01.15, 16.03.15
	Are other payments to the Clerk reasonable and approved by the Council?			There are no other payments to the Clerk recorded in the black & red cash book
	Has PAYE/NIC been properly operated by the Council as an employer?			There is no record in the cash book of PAYE payments which I understand have been made directly by the employee P60 evidenced blue file Clerk / paye. The PC should make and document direct payments to HMRC for employees.
Asset Controls	Does the Council keep an Assets Register of all material assets owned?			No asset register in place Put in place May 2015 Adopted blue file assets / insurance
	Is the Register up to date?			As above
	Does the insurance valuations agree with those on the register?			Blue file assets / insurance. Some items have been purchased historically and have been given a nominal £1.00 asset value but are insured a current replacement cost.
Bank Reconciliation	Is there a bank reconciliation for each bank account?			Red & Black accounts book
	Is the bank reconciliation carried out regularly on the receipt of statements?			Bank reconciliation carried out when statements received. Suggest statements are received ¼ ly and reconciled and reported as part of the financial review
	Are there any unexplained balancing entries in any reconciliation?			No

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Year-End procedures	Are year –end accounts prepared on the correct accounting basis?			Black & red cash book . Blue file Budget
	Do accounts agree with the cashbook?			Black & red cash book v Bank statements
	Is there an audit trail from underlying financial records to the accounts?			Black & red cash book cross ref. to cheque no's. Suggest payment numbers for direct debits.
	Where appropriate, have debtors and creditors been properly recorded?			Black & red cash book