

TIDENHAM PARISH COUNCIL.
Internal auditors report for the year ended 31 March 2015
Date of appointment of Internal Auditor: 31 March 2015
Date(s) of Internal Audit: 5 May 2015

1. Bookkeeping

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
1.1	Were books made up to date?	Y		
1.2	Is cash book arithmetic correct? (If excel - check formulae)	Y		
1.3	Is the cash book regularly balanced?	Y		
1.4	Is there evidence of regular in-house checks by members (signed and minuted)?	Y		

2. Day to day transactions

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
2.1	Have Standing Orders been formally adopted?	Y	Recommend that the Council considers adopting latest Standing Orders	
2.2	Have Standing Orders been reviewed and minuted?	Y		
2.3	Have Financial Regulations been tailored to council and formally adopted?	Y	Recommend that the Council considers adopting latest Financial Regulations.	
2.4	Have Financial regulations been reviewed and minuted?	N	Recommend Financial Regulations are reviewed.	
2.5	Sample review of payments [3.9 – 3.13]	Y		
2.6	Have items / services above the de minimus amount been competitively purchased in accordance with Financial Regulations?	Y		
2.7	Has the General Power of Competence been adopted? If “yes”, evidence seen?	Y	Note that GPC will not be applicable from 1 st April 2015.	
2.8	If 2.7 = “no”, separate account for s.137 payments?	n/a		
2.9	If 2.7 = “no”, s.137 spend limit for year identified?	n/a		
2.10	Loans – interest / principle payable	n/a		
2.11	Loans – interest / principle receivable.	n/a		

3. Risk management

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
3.1	Evidence that council maintains an adequate & effective system of internal control, including risk management and that it is reviewed by full council annually?	Part	Recommend a minute to record that a review of the Council's risk management strategy has taken place.	
3.2	Copy of Risk Assessment policy / statement seen?	Y		
3.3	Minutes checked for unusual activity & evidence that risks are being identified and managed	Y		
3.4	Minutes initialled, each page identified and overall signed	Y		
3.5	Insurance – in place, and adequate and appropriate? See also 8.3	Y		
3.6	Insurance – evidence of review of cover	Part	Minutes should confirm review has been undertaken and that level of cover is adequate.	
3.7	Evidence that assets have been inspected for risk	Y		
3.8	Review of investments, including bank accounts	N	Recommend minutes record review of safety of investments has been undertaken.	

4. Budgetary controls

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
4.1	Was a budget adopted?	Y	Recommend minutes include wording to formal adopt budget. Recommend budget includes all forms of income not just precept (e.g. bank interest, way leaves)	
4.2	Was a copy of the budget attached to the minute adopting it?	N		
4.3	Was a contingency included in the budget?	N		
4.4	Were the objectives of the reserves identified?	Y	.	
4.5	Were the balances at the close of the year projected? How many months spend does the free reserve represent?	Y Approx. 6m		
4.6	Did the council regularly compare the actual income and expenditure to the budget?	Y	Recommend that Full Council receive budget against actual income and expenditure information.	
4.7	Are there any significant unexplained variances from	N		

	budget?			
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5. Income controls

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
5.1	Was the precept demand properly minuted?	Y		
5.2	Was the precept received?	Y		
5.3	Were all anticipated grants received?	Y		
5.4	Were all anticipated rents received?	Y		
5.5	Was all anticipated investment income received?	Y		
5.6	Is income properly recorded and promptly banked?	Y		
5.7	Are security controls over cash adequate and effective?	n/a		

6. Petty cash

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
6.1	Was cash float sufficient and regularly replenished?	n/a		
6.2	Was the cash float physically counted by a member?	n/a		
6.3	Was expenditure approved?	n/a		
6.4	Is all expenditure supported by VAT invoices / receipts?	n/a		
6.5	If credit / debit / prepaid cards in use, proper procedures in place?	n/a		

7. Payroll

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
7.1	Do all staff have a contract of employment?	Y		
7.2	Are contracts regularly reviewed?	Y	Current staff all appointed within financial year.	
7.3	Do salaries paid agree with those approved by Council?	Y		
7.4	Are other payments to employees reasonable and approved by Council?	Y		
7.5	Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)?	Y		
7.6	Minimum wage paid?	Y		
7.7	Are Councillor's allowances and expenses properly authorised & controlled and reported to HMRC if required?	Y		

8. Assets control

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
8.1	Asset register seen and up to date?	Part	Recommend date when assets are added to register is recorded.	
8.2	Basis of valuations	N	Recommend basis of valuations (cost and current insured value) be recorded in register.	
8.3	Comparison with insurance schedule (see also 3.4)	Y	Recommend that asset register is arranged in	

			accordance with insurance schedule.	
8.4	Assets inspected for risk and dated	Y		

9. Bank reconciliation during the year

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
9.1	Evidence of completion for each account on regular basis?	Y		
9.2	Any unexplained balancing entries in any reconciliation?	Y		

10. Year-end procedures

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
10.1	Cash book additions: - (a) tested by Councillor? - (b) tested by Internal Auditor?	Y Y		
10.2	Bank reconciliation: - (a) Original bank statement(s) seen? - (b) RFO's reconciliation?	Y		
10.3	Where appropriate, debtors and creditors properly recorded?	Y		
10.4	RFO to sign and certify statement of accounts	Outstanding	To be completed at next Full Council meeting	
10.5	Council as a whole to consider the statement of accounts	Outstanding	To be completed at next Full Council meeting	
10.6	Council as a whole to approve	Outstanding	To be completed at next Full Council meeting	

	the statement of accounts for submission to the auditor by resolution			
10.7	Statement of accounts to be signed and dated by person presiding at meeting referred to in 10.5	Outstanding	To be completed at next Full Council meeting	
10.8	Summary of section A of Annual Return prepared on proper basis: - tested by Councillor? - tested by internal Auditor	Outstanding Y	To be completed at next Full Council meeting	

11. Other matters

Ref	Test	Meets requirements	Internal auditors comments	For use by Council
11.1	VAT - recorded and paid / reclaimed properly?	Y		
11.2	Code of conduct adopted by resolution of full council?	Y		
11.3	Referrals under the Code of Conduct?	Y		
11.4	Registered with ICO?	Y		
11.5	Is the Council a Managing Trustee	Y		
11.6	Minutes - apologies	Y		
11.7	Minutes – declarations of interest	Y		
11.8	Minutes - dispensations	Y		
11.9	Minutes generally	Y		
11.10	Previous internal audit – action taken where recommended?	n/a		
11.11	Previous external audit – action taken where recommended?	n/a		
11.12	Electronic records backed up	N	Recommend electronic	

			backup of files arranged.	
11.13	Chairman's box	N	Recommend chairman's box be set up	
11.14	List of members' interests held?	Y		
11.15	Agendas signed and displayed 3 clear days prior	Y		
11.16	Summons issued in proper format?	Y		
11.17	Delegated authority	Y		
11.18	Audit procedures	N	Recommend internal auditors report and asset register be published	