

BISHOPS FROME AND FROMES HILL PARISH COUNCIL

Internal Audit Year End Internal Audit Report – 2019/20

The following Internal Audit was carried out on the adequacy of systems of control.

The following recommendations/comments have been made:

Accounting records	<i>Is cashbook maintained/arithmetically correct/balance</i> <i>Cashbook balances and is arithmetically correct</i> <i>Responsible finance officer appointed</i> <i>Roy Brooman</i> <i>Material items competitively purchased</i> <i>No material items purchased although noted in Feb minutes that 3 estimates have been requested for Fromes Hill Field Works.</i> <i>Cashbook items supported by invoices</i> <i>Items randomly checked to invoices and verified correct</i> <i>VAT on payments correctly treated and reclaimed</i> <i>VAT items sampled and checked to invoices for correctness. VAT reclaimed annually and closing balance agreed to cashbook</i>
Risk management	<i>Any unusual financial activity in minutes</i> <i>Minutes reviewed – no unusual financial activity seen</i> <i>Minutes show annual risk assessment?</i> <i>Risk assessment done. Mentioned in agenda point 19.5 in J11th Feb 19 and discussed.</i> <i>Insurance cover adequate?</i> <i>Insurance checked and cover adequate</i> <i>Internal financial controls documented and reviewed?</i> <i>Financial controls are in place and documented – section 5 in file. Seen reviewed in minutes section 19.5 on 11th Feb 2020.</i>

Budgetary Controls

Annual budget in support of precept?

Section 12 of file seen and reviewed

Actual expenditure reported to council

Reported on a monthly basis to council – seen minutes and attached financials – section 11 in file.

Significant variances from budget?

Fromes Hill Land Legal costs was budgeted £2,500 but none spent – minutes show a delay in getting legal advice. Section 137 budgeted to spend £4,536 but no money spent. Order of confidence meant that this did not need to be met therefore no cost. Most other costs and income are broadly in line with budget.

Income controls

Income properly recorded and promptly banked

All were found to be in order. Income received, and banked cross referenced with the Cash Book and bank statements.

Precept recorded agree to council notification?

Agrees to Council notification – see section 8 in file.

Security controls over cash effective?

No cash so not necessary.

Petty cash procedures *Petty cash spent recorded and supported by VAT receipts?*

No petty cash kept

Petty cash reimbursement carried out regularly?

No petty cash kept

Payroll controls

Do all employees have contracts of employment?

Only employee is the Clerk who has a contract.

Do salaries paid agree with those approved by council?

Yes as agreed in minutes from previous years as 5 year agreement.

Are other payments to employees reasonable and approved?

No other payments made.

PAYE/NIC been properly operated by the council as an employer?

Quarterly returns seen completed RTI submissions.

Asset control

Does the council maintain an asset register?

Yes – section 15 in file.

Are the asset registers up to date?

Yes.

Do asset insurance valuations agree with those in the asset register?

Insurance cover is adequate

Does the asset value agree to that recorded on the annual return?

The cost value has been entered in Section 2 Box 9 of the Annual Return.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Is the bank reconciliation carried out regularly?

On a monthly basis – seen in section 11 in file

Are there any unexplained balancing entries in any reconciliation?

None – all explained

Are the Public Works Loans reconciled to the balances shown on the loan statements?

Yes – all reconciled to statements and agree to financial statements – section 16 in file and additional schedule to accounts.

Year-end procedures

Are year-end accounts prepared on the correct accounting basis?

End of year accounts are prepared on an Income and Expenditure basis and were all in order.

Do accounts agree with the cashbook?

Yes – all agrees with figures in cashbook.

Is there an audit trail from the underlying records to the accounts?

Can trace the figures from the underlying records through to the accounts via the cashbook.

Have debtors and creditors been properly recorded?

No Debtors or creditors outstanding.

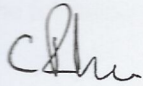
Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Additional Comments/Recommendations

There are no additional comments/recommendations to make in relation to this audit.



Chris Pinches

18th May 2020