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

Is cashbook maintained/arithmetically correct/balance

Cashbook balances and is arithmetically correct

Responsible finance officer appointed

Roy Brooman

Material items competitively purchased

No material items purchased although noted in Feb minutes that 3 estimates have been requested for Fromes Hill Field Works.

Cashbook items supported by invoices

Items randomly checked to invoices and verified correct

VAT on payments correctly treated and reclaimed

VAT items sampled and checked to invoices for correctness. VAT reclaimed annually and closing balance agreed to cashbook

Risk management

Any unusual financial activity in minutes

Minutes reviewed – no unusual financial activity seen

Minutes show annual risk assessment?

Risk assessment done. Mentioned in agenda point 19.5 in J11th Feb 19 and discussed.

Insurance cover adequate?

Insurance checked and cover adequate

Internal financial controls documented and reviewed?

Financial controls are in place and documented – section 5 in file. Seen reviewed in minutes section 19.5 on 11th Feb 2020.

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