

**Worksheet - Heighington Parish Council Internal Audit 2018**

Bookkeeping Review

- Is a cash book/spreadsheet/equivalent maintained

**Audit Notes/Recommendations**

An excel spreadsheet of income and expenditure is maintained which shows the notional current Bank Balance. use of the spreadsheet has contributed to ensuring the Council has once again not operated with an overdrawn balance. A sample of income and expenditure has been reviewed.

**Recommendations:**

**All entries to the cash book/spreadsheet must be evidenced by appropriate paperwork/invoices/ Bacs payment slips etc.**

**All paperwork for debit entries paid by cheque should contain detail of the associated cheque number.**

**Action Required**

**no**

Standing Orders/Financial Regulations/Payment Controls

Bank/Cheque Signing Arrangements

- signatories on the account

- cheques to be signed by

Any two of Three People sign on the account. As of March 2017 the list of Signatories is:

Councillor Anderson

Councillor French

The Parish Clerk (Lisa Dunn)

**no**

Competitive Tendering in place

Regarding the Parish Council 'internal' expenditure, no ongoing contracts have been identified although a number of stand alone purchases have been made throughout the year. There is no audit trail that more than one supplier was asked to quote for the work/goods supplied

**Recommendation:**

**For best practice, the council should set an expenditure ceiling for stand alone purchases (say £300) above which at least one other estimate/quotation is obtained**

**Advisory**

VAT treatment/Compliance

The council have reclaimed the paid VAT in respect of the Sports Field Development.

**Recommendation:**

**To assist with cash flow, an application to reclaim any residual VAT should be made at the earliest opportunity**

**no**

Risk Management Arrangements

Insurance Arrangements

Zurich Municipal

Policy No YLL - 272039 -8613

Period Of Cover

1/6/17 - 31/5/18

Type Of Policy

Local Council

Employers Liability is covered for an amount of £10M

Public Liability is covered for an amount of £10M

Premises is covered for an amount of £131840

Nothing Identified

**Yes**

Unusual Financial Activity Noticed From Minutes

The minutes of the Parish Council do indicate an annual risk assessment has been completed.

**Recommendations: None**

**no**

Annual Risk Assessment Completed

Budgetary Controls

Budget/Precept Planning

A spreadsheet is prepared which details the council's income and expenditure for the previous 6 years. From this, and known changes, the following years precept is projected/calculated

**No**

Income/Petty Cash Controls

Precept Accurately Recorded

- paid directly to bank

Yes

Yes

|   |  |     |
|---|--|-----|
| Controls over other income                                    |  | Yes |
| Petty Cash  | No petty cash is held  |     |
| <u>Payroll Controls</u>                                       |  |     |
| Employment Arrangements                                       |  |     |
| - Does the council employ people                              | Yes  |     |
| Tax/National Insurance considerations?                        | HMRC issued revised guidance at the start of the 2011-2012 financial year, and parish councils are now required to register as an employee and account for PAYE. A satisfactory audit trail exists from the appointment of Thirsk Payroll. | No  |
| <u>Asset Controls</u>   |  |     |
| - Assets owned by the council listed on register              | Yes  |     |
| - Values on register reflect up to date values                | The latest asset register dated 31/3/18 shows values of £286980 .<br><b>Recommendation:</b><br><b>The register should be updated /reviewed annually and noted in the council's minutes</b>   | Yes |
| <u>Bank Reconciliation</u>                                    |  |     |
| - Evidence of Bank Reconciliations                            | There is evidence of a full bank reconciliations has been undertaken during the year .<br><b>Recommendation:</b><br><b>None</b>  | no  |
| <u>Year End Procedures</u>                                    |  |     |
| Are Year End Accounts Prepared on a Receipts & Payments basis | Yes  |     |
| Do Accounts Agree with the Councils Finance Records           | Yes  |     |
| Is there a satisfactory Audit trail                           | yes  |     |
| <u>Other</u>  |  |     |
| 2018 External Audit Comment                                   | None applicable  |     |