Internal Audit Report

For

Brampton and Oxnead Parish Council

Financial Year 2018-19

Prepared by

R M Calvert

6 May 2019

I have completed an internal audit of the accounts for Brampton and Oxnead Parish Council for the year ending 31 March 2019.

My findings are detailed below using the tests provided in the Governance and Accountability for Smaller Authorities in (England) 2018.

I would like to thank the Clerk/RFO for providing me with the information required for the Internal Audit.

| **Internal control** | **Test** | **Observations** |
| --- | --- | --- |
| Proper bookkeeping | Is the cashbook maintained and up to date? | Yes  |
| Is the cashbook arithmetically correct? | Yes |
| Is the cashbook regularly balanced? | Yes  |
| Standing Orders, Financial Regulations and payment controls | Has the council formally adopted Standing Orders and Financial Regulations? | Yes |
| Date Standing Orders last reviewed | September 2010 **It is strongly recommended that these are reviewed and updated as soon as possible** |
| Date Financial Regulations last reviewed | December 2010**as above**  |
| Has a Responsible finance officer been appointed with specific duties? | Yes - Contract of Employment and Financial Regulations  |
| Have items or services above the de minimus amount been competitively purchased? | N/A |
| Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted? | Yes |
| Have legal powers been identified for purchases |  |
| Has VAT on payments been identified, recorded and reclaimed? | VAT paid in 2016- Nov18 has been reclaimed and refunded.  |
| Is s137 expenditure separately recorded and within statutory limits? | N/A |
| Have S137 payments been approved and included in the minutes as such? | No S137 payments made |
| Risk management arrangements | Does a review of the minutes identify any unusual financial activity? | None identified |
| Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme? | **No – draft to be reviewed at next meeting** |
| Is insurance cover appropriate and adequate? | Assets to be reviewed prior to insurance renewal in 2019  |
| Are internal financial controls documented and regularly reviewed? | **No – draft to be reviewed at next meeting** |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | Yes  |
| Has the precept been calculated from the budget and been approved? | Yes |
| Does the budget include an actual completed year? | Yes |
| Is actual expenditure against budget regularly reported to the council? |  |
| Are there any significant unexplained variances from budget? | No  |
| Income controls | Is income properly recorded and promptly banked? | Yes |
| Does the precept recorded agree to the Council Tax authority’s notification? | Yes |
| Are security controls over cash and near-cash adequate and effective? | Yes |
| Petty cash procedures | Is all petty cash spent recorded and supported by VAT invoices/receipts? | The Council does not operate a petty cash system |
| Is petty cash expenditure reported to each council meeting? | N/A – see above  |
| Is petty cash reimbursement carried out regularly? | N/A – see above |
| Payroll controls | Do all employees have contracts of employment with clear terms and conditions? | The Clerk/RFO is the only employee – copy of contract on file  |
| Do salaries paid agree with those approved by the council? | Yes |
| Are salaries above the National Living Wage/Minimum Wage? | Yes |
| Are other payments to employees reasonable and approved by the council? | Yes |
| Have PAYE/NIC been properly operated by the council as an employer? | Yes |
| Asset controls | Does the council maintain a register of all material assets owned or in its care? | Yes |
| Where appropriate, are these inspected annually | Yes |
| Are the assets and Investments registers up to date? When were these last reviewed? | Assets register is currently under review.  |
| Do asset insurance valuations agree with those in the asset register? |  |
| Bank reconciliation | Is there a bank reconciliation for each account and is this reported to council? | Yes |
| Is a bank reconciliation carried out regularly and in a timely fashion? | Yes |
| Are there any unexplained balancing entries in any reconciliation? | No |
| Is the value of investments held summarised on the reconciliation? |  |
| Year-end procedures | Are year-end accounts prepared using the correct accounting basis - Receipts and Payments? | Yes – Receipts and Payments |
| Do accounts agree with the cash book? | Yes |
| Has a year-end bank reconciliation been undertaken? | Yes |
| Is there an audit trail from underlying financial records to the accounts? | Yes |
| Where appropriate, have debtors and creditors been properly recorded? | N/A |
| Procedural | Have the minutes been signed by the chairman | Yes |
| Has the chairman initialled each page of the Minutes book | **No -**  The Chairman has not initialed each page as previously advised.  |
| Has the chairman signed the year end bank reconciliation | To be presented to the Annual Parish Meeting on 8th May 2019 |
| Is eligibility for the General Power of Competence properly evidenced? | N/A |
| Have points raised on the last Internal Audit report been considered by council ? | Yes – comments noted  |
| Transparency: For smaller councils with turnover under £25,000**See supplementary page** 1 | Minutes for whole year on website? | Yes |
| Agendas for whole year on website? | Yes |
| Payments over £100 on website? | More detail required See Supplementary Page 1  |
| Electors’ rights advertised on website? | Yes |
| Councillors’ responsibilities detailed on website? | Yes |
| Last financial year’s Annual Return on website? | Yes |
| Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use) | **No**Assets register reviewed in 2017-18 and draft schedule 10/01/18 is under review |

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Signed Date