

Additional policies to be reviewed in 2017 audit

Standing Orders & Financial Regulations adopted and applied and payment Controls

3. Is the cashbook regularly balanced?
 - The cash book is balanced monthly (except the period where the new clerk took over)
 - Reconciliations are presented at each council meeting and signed off at the meeting. Bank Reconciliation's not signed Dec 2016 an Jan 2017
 - Petty cash reconciled at the same time

2. Is the cashbook arithmetic correct?
Cross checked arithmetic all correct

During probation when a new clerk is appointed, ensure reports and ledgers are checked by Councilors before meetings to avoid any potential problems.

Recommend

1. Is the cashbook maintained and up to date?
Tested samples of income & expenditure for each month (April 2017-Mar 2017). Agreed to bank, minutes and ledgers. The ledger had been corrected and re-created by the old clerk. Up to date although during old clerk's absence the replacement clerk did not maintain accurately.

Proper book-keeping

Independent Auditor conducting audit Therese Stokes

Date of Independent Audit 19th May 2017

Year Ended 31/3/17

Parish Council: Southminster Parish Council

Internal Audit Report

- Standing Orders adopted and amended 20/3/17. No minutes for financial regulations
- Has the Responsible Financial officer been appointed with specific duties No change to responsibilities from previous year as old clerk returned except extra 5 hours 20th March 2017
 - Have items or services above the de minimus amount been competitively purchased? No evidence as no significant purchases during the year
 - Are payments in the cashbook supported by invoices, authorised and minuted? Yes all authorised and minuted.
 - Has VAT on payments been identified, recorded and reclaimed
 - Checked VAT return and ledgers. No errors. Last reclaimed September 2016
 - Is s137 expenditure separately recorded and within statutory limits? Process checked: recorded separately and within statutory limits

Risk Management Arrangements

- Does a review of the minutes identify any unusual financial activity? All minutes checked no unusual financial activity noted except blip in reporting with new clerk takeover.
 - Do the minutes record the council carrying out an annual risk assessment? Yes 12/9/2016
 - Is insurance cover appropriate and adequate? Insurance policy checked and appears adequate & appropriate.
 - Are internal financial controls documented and regularly reviewed? Needs to be annually reviewed
- Recommend:** Council Agenda diary to ensure not missed.

Budgetary Controls

- Has the council prepared an annual budget in support of its precept? Yes, Approved 14th Nov 2016
- Recommend:** Rolling 3 year plan created to review when planning the budget.
- Is actual expenditure against budget regularly reported to the council? Budget figures are on the bank reconciliations that are normally reviewed monthly. New clerk did not maintain this process for Dec/Jan 17
- Are there any significant unexplained variances from budget? No all variances explained fully

Income Controls

- Is the income properly recorded and promptly banked? Samples checked accurate & prompt
- 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 checked, ledgers reflect income and expenses

Petty Cash Procedures

- Is all petty cash spent recorded and supported by VAT receipts/invoices? Yes spot checked

1. Are year end accounts prepared on the correct accounting basis?
Yes, Receipts and Payments
2. Do accounts agree with the cashbook?
Agreed
3. Is there an audit trail from underlying financial records to the accounts?
Yes
4. Where appropriate have debtors and creditors been properly recorded?
Yes

Year-end procedures

1. Is there a bank reconciliation for each account?
Yes, all agreed
2. Is a bank reconciliation carried out regularly and in a timely fashion?
Monthly reconciliations presented and signed off at council meetings with the exceptions previously mentioned, when new clerk in office.
3. Are there any unexplained balancing entries in any reconciliation?
No unexplained entries
4. Is the value of the investments held summarised on the reconciliation?
Yes

Bank Reconciliation

1. Does the council maintain a register of all material assets owned or in its care?
Yes
2. Are the assets and investment registers up to date?
All up to date.
3. Do asset insurance valuations agree with those in the asset register?
The insurance appears sufficient and cost also reflected in asset register.

Assets Controls

1. Do all employees have contracts of employment with clear terms and conditions?
Yes
2. Do salaries paid agree with those approved by the council?
Yes
3. Are other payments to employees reasonable and approved by the council?
Yes all reasonable and checked to minutes
4. Have PAYE/NIC been properly operated by the council as an employer?
PAYE & NIC checked and correct.
5. No evidence of staff appraisal.
Recommend: This should be done annually once new clerk employed

Payroll Controls

1. Is petty cash reimbursement carried out regularly?
Yes
2. Is petty cash expenditure reported to each council meeting?
All expenditure is recorded in the same ledger and reported to the Parish Council monthly
3. Is petty cash reimbursement carried out regularly?
Yes

Summary of Recommendations

1. During probation when a new clerk is appointed, ensure reports and ledgers are checked by Councillors before meetings to avoid any potential problems.
2. Annual Employee Contract review in light of constantly changing legislation
3. Annual staff appraisal required once new clerk employed
4. Create a rolling 3 year plan created to review when planning the budget.
5. Creating a council Agenda diary to ensure reviews, appraisals and policy adoptions take place regularly

Standing Orders & Financial Regulations adopted and applied and Payment Controls

1. Is the cash book regularly balanced?
The cash book is balanced monthly, except the period when the new clerk took over.
2. Is the cash book balanced at the end of the month?
Balanced by Councillors before meetings to avoid any potential problems.
3. Is the cash book balanced at the end of the year?
During probation when a new clerk is appointed, ensure reports and ledgers are reviewed.
4. Is the cash book balanced at the end of the year?
Clerk checked at end of year.
5. Is the cash book balanced at the end of the year?
Clerk checked regularly.
6. Is the cash book balanced at the end of the year?
Clerk checked regularly.
7. Is the cash book balanced at the end of the year?
Clerk checked regularly.
8. Is the cash book balanced at the end of the year?
Clerk checked regularly.
9. Is the cash book balanced at the end of the year?
Clerk checked regularly.
10. Is the cash book balanced at the end of the year?
Clerk checked regularly.

clerk did not maintain at all

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