

**ASHWELL PARISH COUNCIL**

**Internal Audit Programme: Financial Year ended 31<sup>st</sup> March 2024**

**Ref. 'Practitioners Guide'**

	TEST	EVIDENCE	CHECK/ACTION
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<b>1</b>	<b>Proper Bookkeeping</b>		
<b>a</b>	Is the cashbook maintained and up to date	Excel cashbook maintained for the year.	
<b>b</b>	Is the cashbook arithmetically correct	Reconciled monthly.	
<b>c</b>	Is the cashbook regularly balanced	Reconciled monthly and summary accounts signed off by parish councillors.	

<b>2</b>	<b>Standing Orders and Financial Regulations adopted and applied and Payments Controls</b>		
<b>a</b>	Has the Council formally adopted Standing Orders and Financial Regulations	Standing Orders and Financial Regulations adopted following election in May 2019. Agreed new Financial Regulations (based on latest NALC model) for 2019-20. Both documents reviewed annually at AGM. Appendix with Preferred Supplier list; this reviewed and amended as required.	Procedures to be agreed to comply with re new Financial Regulations.
<b>b</b>	Has a Responsible Financial Officer been appointed with specified duties	Clerk re-appointed RFO at start of new council term (last in May 2019). Book keeper appointed January 2023. Weekly contact with RFO.	
<b>c</b>	Have items/services above a <i>de minimis</i> level been competitively purchased	Three quotes obtained where possible (see Financial Regulations).	
<b>d</b>	Are payments in the cashbook supported by authorised invoices and minuted	All payments by bank transfer, direct debit or cheque are signed against invoices and checked against bank statements by two appointed councillors monthly. Any cheques are signed by two appointed councillors (total of three councillors are signatories). Reimbursement claims are supported by receipts.	
<b>e</b>	Has VAT on payments been identified, recorded and reclaimed	Recorded in cashbook and as separate sheet for claims. Reclaimed at year end; more often if larger than normal expenditure.	
<b>f</b>	Is s 137 expenditure separately recorded and within statutory limits	Separate provision for in cashbook. Limits for relevant financial year noted in audit documents.	

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<b>3</b>	<b>Risk Management Arrangements</b>		
<b>a</b>	Does a scan of the minutes identify any unusual financial activity	File of approved and signed minutes.	
<b>b</b>	Do the minutes record the council carrying out an annual risk assessment	To go to June Council as part of annual audit.	
<b>c</b>	Is insurance cover appropriate and adequate	Reviewed by Council in September 2022 prior to annual renewal Oct 1 <sup>st</sup> , minute 40.2. All property cover index linked and reviewed at least annually.	
<b>d</b>	Are internal financial controls documented and regularly reviewed.	See sections 2a and 2d above. All claims for reimbursement of purchases supported by receipts. See also Financial Regulations; new version from 2019-20.	

<b>4</b>	<b>Budgetary Controls</b>		
<b>a</b>	Has the council prepared an annual budget in support of its precept	Annual Budget prepared by RFO/Finance Committee (autumn meeting) and subsequently approved by Council.	
<b>b</b>	Is actual expenditure against budget regularly reported to council	Budget tracking recorded monthly by Clerk/RFO, included in financial reports to councillors.	
<b>c</b>	Are there any significant unexplained variances from budget	All variations discussed/justified at Finance Committee and/or Council.	

<b>5</b>	<b>Income Controls</b>		
<b>a</b>	Is income properly recorded and promptly banked	All income recorded in cashbook.	
<b>b</b>	Does the precept recorded in the cashbook agree to the District Council notification	Paid by bank transfer April and September. Letter of notification from NHDC in March each year. Cashbook/receipts record individual items.	
<b>c</b>	Are security controls over cash adequate and effective	Minimal cash income. Signed receipts issued for all cash income and recorded on income sheet eg allotment rents, rents for Recreation Ground.	

<b>6</b>	<b>Petty Cash Procedures</b>	None held.	N/A
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<b>7</b>	<b>Payroll Controls</b>		
<b>a</b>	Do salaries paid agree with those approved by the Council	Salaries all approved in budget. Clerk and Deputy paid according to agreed NALC scale for Council category, ie LC2.	
<b>b</b>	Are other payments to the Clerk reasonable and	Purchases made on behalf of Council fully reimbursed against receipts.	

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	supported.		
<b>c</b>	Has PAYE/NIC been properly operated by the council as an employer	All payments recorded; Excel files plus hard copy in invoice file. Submissions to HMRC using Basic RTI.	
<b>d</b>	Pension provision	Only Clerk and Deputy Clerk eligible. Parish Council member of LGPS since Feb 2015; Clerk (JP) member since August 2015, Deputy Clerk (LBP) since December 2018.	

<b>8</b>	<b>Asset Controls</b>		
<b>a</b>	Does the Council keep an asset register of all material assets owned	See Asset Register.	
<b>b</b>	Are the Asset/Investment registers up to date	See Asset Register.	
<b>c</b>	Do asset insurance valuations agree with those in the asset register	See Asset Register and insurance schedule.	

<b>9</b>	<b>Bank Reconciliation</b>		
<b>a</b>	Is there a bank reconciliation for each account	Monthly reconciliations for both accounts. Hard copies against statements in invoice file.	
<b>b</b>	Is a bank reconciliation carried out regularly on the receipt of statements	Monthly reconciliations for both accounts.	
<b>c</b>	Are there any unexplained balancing entries in any reconciliation	All discrepancies explained. See year end reconciliation and cashbook.	

<b>10</b>	<b>Year-end Procedures</b>		
<b>a</b>	Are year-end accounts prepared on the correct accounting basis	Receipts and Payments basis (less than £200,000).	
<b>b</b>	Do accounts agree with the cash book	See cashbook and accounts.	
<b>c</b>	Is there an audit trail from underlying financial records to the accounts	See relevant files.	
<b>d</b>	Where appropriate have debtors and creditors been properly recorded	Recorded.	

**Responsible: Internal Auditor, Jonathan Merrell**

**Signed.....**

**Date.....**