

Internal Audit Check

Fornham St Martin cum St Genevieve Parish Council – y/e 31 March 2020

A Appropriate books of account have been properly kept throughout the year

Check cash book properly written up and balanced	Cashbook kept on Excel spreadsheet. September entries chosen for detailed examination	1
Verify selection of items against bank statement	September entries matched	1

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	New model adopted in May 2019	1
Financial Regulations formally adopted and correspond to the latest good practice	The Financial Regulations in the file were adopted by the Council on 10 March 2016. However I note that it says on them that they are due for revision in May 2017. They were reviewed and adopted November 2018	1
RFO appointed and clear duties listed	Vicky Bright is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	The largest payment was for the election. No other payments more than £1,500	1

B Payments were supported by invoices, expenditure was approved and VAT properly accounted for

Check selection of payments to ensure properly authorised.	The September payments were approved at the meeting on 12/9/2019.	1
Check vouchers relating to above	These are all in order	1
Check VAT has been properly accounted for (for income, see below)	Analysed appropriately	1
Additionally check random selection of large payments in cash book	None	-
If electronic banking is used ensure that proper procedures are in place as provided for in the new model Financial Regulations.	Not used	-

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Check any s137 for amount, validity	Grants made – well within the limit	1
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	I cannot locate a claim for VAT during the year. I noted last year that no claim had been made for that year nor the previous year. I note that the Risk Assessment states that claims should be made six monthly. The Clerk advises that a claim is in progress.	2
C The Council assessed the significant risks to achieving its objectives and had adequate arrangements to manage these		
Formal risk assessment documents available for inspection	There is a financial risk assessment in place. There are inspection reports for Play Area equipment in the file which are based on a Risk Assessment	1
Do the minutes record the council carrying out an annual risk assessment?	There are regular entries in the minutes covering risk assessments	1
Is the insurance cover appropriate and adequate – see also H below	Standard Parish Council policy. If the Council has taken on King Georges Field as managing trustee, are the insurance company aware of this or does the charity itself carry insurance.	2
D The annual precept requirement resulted from an adequate budgetary process		
Has the Council prepared an annual budget in support of its precept?	Budget was approved on 10 January 2019. Precept set at £28,791	1
Is the precept based upon realistic assumptions including evaluation of required balances?	Budget is reasonable. Balances correspond to roughly 2.5 months expenditure which appears a little low. Note that the Practitioners Guide recommends balances of between 3- and 12-months expenditure (see paragraph 5.32)	2
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	These are circulated regularly and are appropriate	1
Are there any significant unexplained variances?	None	1

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E Expected income was fully received, based upon correct prices, properly recorded and promptly banked; and VAT was properly accounted for

Precept paid as requested and banked properly	Paid by BACS	1
Is other income properly accounted for and are adequate procedures in place?	The Council received £1,611 from advertising in the Newsletter. They should be aware that, strictly, this is a supply that is standard rated for VAT. However, HMRC will not follow this up because the total amount involved is below the de minimis limit.	1
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	See above. The Council is not registered	-

F Petty cash payments were properly supported by receipts, expenditure was approved and VAT properly accounted for

Is all petty cash expenditure supported by VAT receipts?	None	-
Is petty cash expenditure regularly reported back to the Council?		
Is reimbursement carried out regularly?		

G Salaries to employees and allowances to members were paid in accordance with council approvals

Do all employees have properly drawn up contracts of employment?	Yes. No change	1
Has the Council approved all salaries and do payments correspond with these decisions?	All payments approved at Council meetings	1
Are other payments (e.g. expense payments) reasonable and properly approved?	As above	1

G PAYE, NI and pension requirements were properly applied

Check PAYE and NI. Alternatively, if a bureau is used, check the records of payments.	These are dealt with by SALC	1
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Check end of year returns or, if a bureau is used, check that the documentation is in order.	SALC documentation	1
Check that requirements for workplace pensions have been followed	Salary levels below the threshold	1
H Asset and investment registers were complete and accurate and properly maintained		
Does the Council have an Asset Register and is it regularly maintained?	Reviewed February 2020	1
Ensure assets purchased during year (see minutes) are recorded	Not identified	1
Do asset insurance values correspond to values in the asset register?	They appear to be adequate	1
I Periodic and year-end bank account reconciliations were properly carried out		
Check for regular (monthly / quarterly) bank reconciliations for all accounts	Regular reconciliations are carried out and signed off in compliance with Financial Regulations	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
J Year-end accounts were prepared on the correct accounting basis, agreed with cash book, were supported by an adequate audit trail from underlying records		
Are year-end accounts produced on the correct basis R&P or I&E)?	R&P	1
Verify accounts to cash book	I have currently a query over the contents of Box 4. For 19-20 it is correct to include Clerk's mileage but this will cease to be the case in 20-21 (see the relevant editions of the Practitioners Guide). It is not correct to include payroll processing costs in the total	2
Is there an audit trail from underlying financial records to the accounts? (I&E only)	N/A	-
Verify debtors and creditors (I&E only)	N/A	-

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K . IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (“Not Covered” should only be ticked where the authority had a limited assurance review of its 2018/19 AGAR)

Did the Council satisfy this requirement?	Not covered	
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L During summer 2019 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations

Check evidence of this	Because the AGAR for 2018/2019 is saved as a multi-page TIFF file, in some cases the default application that opens these files will only show the first page. This issue is avoided if the AGAR is saved as a pdf document. I am assured by the Clerk that all other matters were dealt with properly.	2
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M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee

Verify this was the case	As far as I can see, the Council is still dealing with matters relating to the King Georges Field in their regular meetings. I refer to Governance and Accountability (2019 edition) Sections 5.114-5.121 (especially 5.119) is clear on this point	3
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Levels of assurance: 1 – high, 2 – substantial, 3 – limited, 4 – minimal, n/c – not covered at this visit

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