

YEAR END AUDIT 2016-2017
Ashurst Wood Parish Council

INTERNAL CONTROL	SUGGESTED TESTING	YES/NO	COMMENT
Proper Bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained an up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced? 	<p>Yes Yes Yes</p>	
<p>a) Standing orders and financial regulations adopted and applied; and b) Payments controls</p>	<ul style="list-style-type: none"> • Has the council formally adopted standing orders and financial regulations? • Have items or services above the deminimis amount been competitively purchased? • Are payments in the cashbook supported by invoices, authorised and minuted? • Has VAT on payments been identified, recorded and reclaimed? • Is s137 expenditure separately recorded and within statutory limits if applicable? – • has the Council got GPC? 	<p>Yes Yes Yes Yes No Yes</p>	<p>Random sample checked</p> <p>It is no longer considered necessary</p>
Risk Management arrangements	<ul style="list-style-type: none"> • Does a review of the minutes identify any unusual financial activity? • Do the minutes record the council carrying out an annual risk assessment? • Is insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed? 	<p>No Yes Yes Yes</p>	
Budgetary Controls	<ul style="list-style-type: none"> • Has the council prepared an annual budget in support of its precept? • Is actual expenditure against the budget regularly reported to the council? • Are there any significant unexplained variances from budget? 	<p>Yes Yes No</p>	
Income Controls	<ul style="list-style-type: none"> • Is income properly recorded and promptly banked? • Are security controls over cash and near-cash adequate and effective? 	<p>Yes Yes</p>	<p>A safe has now been installed</p>
Petty Cash Procedures	<ul style="list-style-type: none"> • Is all petty cash spent recorded and supported by VAT invoices/receipts? • Is petty cash expenditure reported to each council meeting? • Is petty cash reimbursement carried out regularly? 	<p>N/A</p>	<p>No Petty Cash transactions</p>
Bank Reconciliation	<ul style="list-style-type: none"> • Is there a bank reconciliation for each account? • Is a bank reconciliation carried out regularly and in a timely fashion? • Are there any unexplained balancing entries in any reconciliation? • Is the value of investments held summarised on the reconciliation? 	<p>Yes Yes No Yes</p>	
Payroll Controls	<ul style="list-style-type: none"> • Do all employees have contracts of employment with clear terms and 	<p>Yes</p>	

	conditions? <ul style="list-style-type: none"> • Do salaries paid agree with those approved by the Council? • Are other payments to employees reasonable and approved by the Council? • Have PAYE/NIC been properly operated by the council as an employer? 	Yes Yes Yes	
Assets Controls	<ul style="list-style-type: none"> • Does the council maintain a register of all material assets owned or in its care? • Are the assets and investments registers up to date? • Do asset insurance valuations agree with those in the asset register? 	Yes Yes Yes	See note below
Year-end procedures	<ul style="list-style-type: none"> • Are year-end accounts prepared on the correct account basis? (R&P/I&E) • Do accounts agree with the cashbook? • Is there an audit trail from underlying financial records to the accounts? • Where appropriate, have debtors and creditors been properly recorded? 	Yes Yes Yes Yes	
Transparency	<ul style="list-style-type: none"> • Evidence of transparency of Council activities and expenditure 	No	See note below

It was noted that the Village Centre is insured by the Trust managing the hall and the Village Council pays its portion of the premium to cover its office and meeting room. This value is not recorded on the insurance schedule and therefore the valuation does not agree with the figure on the Asset Register. This anomaly should be corrected with a Memorandum of Understanding stating the value of the asset (£172,707 as per the Asset Register) as being the sum insured by the payment of the premium. This would protect the Council's interests in the event of a catastrophe. It might be prudent to take legal advice on the wording of the statement.

The Council's reluctance to publish financial transactions above £100 on its website is no longer tenable as the revised Audit and Transparency Regime in England (Revised April 2017) states

The rest of the information relates to a financial year and must be published on the website by 1 July following the end of the financial year.

The information is:

- *the approved and signed Annual Return, including the internal auditor's report in the Annual Return*
- *the documents that in the past have been annexed to the Annual Return: bank reconciliation and explanation of significant variances*
- *a list of all payments over £100*
- *a list of 'councillor responsibilities'*
- *details of the council's land and building assets*

Signed:..........

Date:.....27th April 2017.....

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