

Microshade Business Consultants Ltd

INTERNAL AUDIT REPORT for Haydon Wick Parish Council

YEAR TO 31 MARCH 2018

1 MAY 2018

Income

TASK	Risk	COMMENT
<u>1. CASH INCOME</u>		
CHECK PROCEDURE FOR COLLECTING AND RECORDING CASH INCOME	Medium	Leisure Garden Income fully banked in full and receipts issued.
CHECK CASH BANKED AND FREQUENCY	Medium	Banking arrangements are satisfactory.
CHECK ANY CASH BALANCES UNBANKED	Low	
<u>2. CREDIT INCOME</u>		
CHECK PROCEDURES FOR RAISING INVOICES	Low	Invoicing procedures are good
CHECK ALL NECESSARY INVOICES RAISED	Low	All invoices raised
<u>3. CREDIT CONTROL</u>		
CHECK RESPONSIBILITY FOR COLLECTING SUMS DUE TO COUNCIL	Low	The council does not raise a large number of invoices and the control of debt is good.
REVIEW DEBTOR BALANCES	Medium	At 31 st March 2018 sums outstanding totalled £2347.65 of which £483.66 are more than 3 months old. This represents 20% of the debts due to the council. Debts over 3 months old should be investigated and if uncollectable written off. Debts from 2015/16 were authorised to be written off by Policy and Finance Committee at meeting dated 26 September 2017.
<u>4. BAD DEBTS</u>		
REVIEW REASONS FOR NON-PAYMENT		Reasons for non-payments listed on outstanding invoices report.
CHECK ALL REASONABLE STEPS TAKEN TO COLLECT DEBTS		All reasonable steps taken to collect debts.
CHECK COUNCIL AUTHORITY OBTAINED FOR BAD DEBTS WRITTEN OFF		See above

<u>5. CREDIT BALANCES</u>		
LOOK AT DEBTORS LIST AND IDENTIFY ANY OVERPAYMENTS	N/a	
ASSESS THE REASON FOR THEIR EXISTENCE	N/a	
<u>5. ACCURACY</u>		
CHECK THAT VAT CORRECTLY TREATED – IF APPLICABLE	Low	Vat correctly charged
MAKE SURE ACCOUNTS IDENTIFY INCOME UNDER RELEVANT HEADINGS	Low	Income correctly allocated

Cash and Bank

TASK	Risk	COMMENT
<u>BANK RECONCILIATION</u>		
CHECK BANK RECONCILIATION PERFORMED ON A MONTHLY BASIS AND AGREE ON ALL BANK ACCOUNTS	Low	Bank Reconciled on a monthly basis, all bank accounts reconciled to 31 st March 2018.
REVIEW BANK RECONCILIATION AND ENSURE NO PAYMENTS OR RECEIPTS ARE BEING CARRIED FORWARD FOR A NUMBER OF MONTHS	Low	Cheque number 106153 Sonia Dykes unpresented from 30 September 2017. Should be investigated and written back if necessary
NOTE ANY UNIDENTIFIED BANKINGS	Low	No Unidentified Bankings
Santander Bank Account	Medium	Unable to verify Santander Account, due to absence of Bank Statements. No interest has been included in the accounts for the years 2017 and 2018. Recommend Council contact Santander Account to obtain current statements and regularise access to the account as per Bank Mandates

Payroll

TASK	Risk	COMMENT
CHECK CONTRACTS OF EMPLOYMENT FOR ALL STAFF.	High	Contracts of employment in place
CHECK REFERENCE FOR NEW STAFF – IF APPLICABLE.	Low	N/a
CHECK ALL STAFF ON PAYROLL AGAINST CONTRACTS OF EMPLOYMENT. IF ON PAYROLL BUT NO CONTRACT OF EMPLOYMENT – WHY?	Low	OK
CHECK GROSS PAY FOR EACH EMPLOYEE IS AT CORRECT RATE.	Low	Yes
CHECK OVERTIME AUTHORITY.	Low	
CHECK TIME SHEETS – IF USED, AGAINST PAYROLL.	Low	N/a
CHECK PAYE/NI PAID OVER TO INLAND REVENUE BY CORRECT DATE.	Low	All payments made correctly
CHECK ANY SICK PAY IS AS LAID OUT IN COUNCIL EMPLOYMENT POLICY.	Low	Yes
CHECK STATUTORY MATERNITY PAY AND STATUTORY SICK PAY DEDUCTIONS.	Low	N/a

Supplier Invoices

TASK	Risk	COMMENT
CHECK PURCHASE ORDERS MATCH TO INVOICES.	Medium	Purchase orders are now raised for all supplies and attached to the relevant supplier invoice.
REVIEW UNMATCHED PURCHASE ORDERS.	Low	All purchase orders are matched to invoices
CHECK EXPENDITURE CODING – CORRECT BUDGET HEADING AND COST CENTRE.	Low	Invoices correctly allocated to Budget codes in the Accounting system.
CHECK INVOICE CORRECTLY PASSED FOR PAYMENT – PRICE CONFIRMED – DELIVERY CONFIRMED.	Medium	Payment records are filed with Supplier invoices on a monthly basis. All payments are supported by an official invoice. However there is no clear audit trail as to authorisation for payment.
SAMPLE CHECK – PURCHASE ORDER TO SUPPLIER INVOICE.	Medium	Purchase Orders and Delivery notes are filed with supplier invoices where appropriate.
CHECK OLD CREDITORS AND ASCERTAIN WHY STILL UNPAID.	Low	None
INVESTIGATE ANY OVERPAYMENTS TO SUPPLIERS	Low	None
CHECK LIST OF PAYMENTS APPROVED BY MEMBERS AGREES WITH BANK PAYMENT LIST	Low	All payments correctly reported to Members

General

TASK	Risk	COMMENT
PRINT AND CHECK TRIAL BALANCE – IF APPLICABLE.	Low	Trial Balance checked and agreed
CHECK ACTUAL EXPENDITURE AGAINST ESTIMATES AND INVESTIGATE OVERSPENDS.	Medium	Whilst there are small overspends against individual budget headings, the overall out-turn is within budget.
VAT	Medium	All VAT correctly charged
MAKE SURE THAT AMOUNT OF VAT RE-CLAIMABLE (OR PAYABLE), AGREES WITH SUM DECLARED ON THE BALANCE SHEET.	Low	Vat Control agrees to Vat return at 31 March 2018
CHECK PRECEPT IS CALCULATED BY CORRECT BUDGET PROCESS.	Low	The budget process is robust.
CHECK MEMBERS ARE REGULARLY PROVIDED WITH BUDGET INFORMATION	Low	Budget monitoring reports are regularly presented to members.
AT BEGINNING OF FINANCIAL YEAR CHECK OPENING TRIAL BALANCE AGGREGES WITH PRIOR YEAR BALANCE SHEET	Low	Opening balances agree with Annual Return.

Minutes

TASK	COMMENT
CHECK QUORUM PRESENT FOR EACH FULL COUNCIL MEETING.	All in order
CHECK MINUTES PROPERLY SIGNED.	All properly signed
CHECK THERE IS A MINUTE AUTHORISING PRECEPT LEVY ON DISTRICT COUNCIL.	Approved 17 January 2018 minute number 573
CHECK THERE IS A MINUTE AUTHORISING ANY CHANGE IN SALARY.	All in order ²
CHECK STANDING ORDERS ADOPTED.	Reviewed by Policy Committee 28 June 2016 minute number 11
CHECK FINANCIAL REGULATIONS ADOPTED.	Reviewed by Policy Committee 28 June 2016 minute number 11
CHECK RFO APPOINTMENT.	All in order
ALL CHEQUES, BACS AND DIRECT DEBIT PAYMENTS HAVE BEEN INCLUDED ON PAYMENT SCHEDULE, APPROVED BY COUNCIL AND INCLUDED IN THE MINUTES	All payments authorised at various meetings of the Council, but no clear audit of individual payment approvals.
RISK ASSESSMENT	Risk Assessments presented to Council 16 May 2017 minute number 427
CHECK ANNUAL GOVERNANCE STATEMENT APPROVED	Approved 16 May 2017 minute number 428.1

428.2