


Tatworth & Forton Parish Council - April 2017

Internal Control	Suggested Test	Yes	No	Comments
Proper Bookkeeping	Is the Cashbook maintained & up to date	x		
	Is the Cashbook arithmetically correct	x		
	Is the Cashbook regularly balanced	x		
Standing Orders & Financial Regulations adopted & applied	Has the Council formally adopted standing orders & financial regulations	x		Reviewed 11/2016 & 5/2016
	Has a Responsible Officer been appointed with specified duties			Clerk's contract contains the role of RFO
Payment controls	Have items or services above a set amount been competitively purchased	x		Tender Requirement £10,000
	Are payments in the cashbook supported by invoices, authorised & minuted	x		
	Has VAT on payments been identified, recorded & reclaimed	x		As the level of general & ear marked reserves are relatively high annual claiming of VAT is acceptable.
	Is S137 expenditure separately recorded & within statutory limits	x		£351 paid in year over 4 separate payments
Risk Management	Does a scan of minutes identify any unusual financial activity		x	
	Do the minutes record the council carrying out an annual risk assessment for all appropriate activities and locations	x		Jun-16
	Is insurance cover appropriate & adequate	x		Excellent documentation of assessment process
	Are internal financial controls documented & regularly reviewed	x		Policy renewal 1/10/17
				May-17
Budgetary Controls	Has the Council prepared an annual budget in support of its precept	x		
	Is actual expenditure against the budget regularly reported to the Council	x		
	Are there any significant unexplained variances from the budget		x	Level of reserves commented upon within April 2016 Audit
Income Controls	Is income properly recorded & promptly banked	x		
	Does the precept recorded in the cashbook agree to the District Council's notification	x		
	Are security controls over cash adequate & effective	N/A		

Internal Control	Suggested Test	Yes	No	Comments
Petty Cash Procedures	Is all petty cash spent recorded & supported by VAT invoices or receipts	N/A		No petty cash is held. All minor expenditure etc. by the clerk/secretary is recorded, supported by receipts and claimed on a regular basis
	Is petty cash expenditure reported to each Council meeting	N/A		
	Is petty cash reimbursement carried out regularly	N/A		
Payroll Controls	Do salaries paid agree with those approved by Council	x		The Clerk is the Council's sole employee
	Are other payments to the Clerk reasonable & approved by the Council	x		See above re Petty Cash
	Has PAYE & NIC been properly operated by the Council as an employer	x		The correct procedure is in place
	Has Auto Enrolment process been completed			
Asset Controls	Does the Council keep an asset register of all material assets owned	x		Seen 04/04/2017
	Are the asset & investment registers up to date	x		
	Do asset insurance valuations agreed with those in the asset register	x		Seen 04/04/2017
Bank Reconciliation	Is there a bank reconciliation for each account	x		
	Is the bank reconciliation carried out regularly on receipt of statements	x		Finance Group now regularly monitor
	Are there any unexplained balancing entries in any reconciliation		x	
Year End Procedures	Are year end accounts prepared on the correct accounting basis - Receipts/Payments or Income & Expenditure	x		
	Do accounts agree with the cash book	x		
	Is there an audit trail from underlying financial records to the accounts	x		
	Where appropriate have debtors & creditors been properly recorded	N/A		
	Is loan correctly recorded	x		
Confirmed 26/04/2017				
				
Philip J Smith ACIB CertITCM				
Appointed Internal Auditor for Tatworth & Forton Parish Council				

Tatworth & Forton Parish Council – Internal Audit Informal Comments & Recommendations

I am pleased to note that your Clerk maintains high professional standards with the comprehensive supporting documentation provided and available on your web site. This should ensure strong governance is undertaken by Council.

All information I required to complete my review was readily to hand or a clear explanation given to requests for clarification, when required. This has enabled me to sign off my standard review check list without any adverse comments being noted.

I would draw the Group's attention to the two matters I raised last year, which although some adjustments/reductions have been made the reserves of the Council remain at a significantly high level.

There is a reserve of over £5,000 for Election Expenses. This would appear high in relation to charges that I have seen at other councils for contested elections.

There is an amount of £5,000 (now reduced to £4,000) that has been held for a number of years that is identified as Sustainable Communities Prize. It is normally a condition of giving awards of this nature that they are spent on specific works within an agreed timescale. Without knowing the actual T &Cs I cannot be certain of the position here but would recommend committing to spend this prize as soon as possible.

A handwritten signature in dark ink, appearing to read 'Philip J Smith', with a stylized flourish at the end.

Philip J Smith – Internal Auditor for Tatworth & Forton PC – April 2017