


# INTERNAL AUDIT SERVICE FOR AUSTERFIELD PARISH COUNCIL

AUDIT PROGRAMME – PERIOD ENDING : .....31 MARCH 2020.....

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2011 edition of "Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide".

Signed..........Date 21 / 6 / 2020..

Name & qualifications.....MR. ANDREW BOSMANS B.A. (HONS)

APPROVED SLCC INTERNAL AUDITOR

1 Internal Control	2 Tests	3 Initial Yes	4 Initial No	5 Comments-date checked
Previous Internal Audit Report	Do the minutes record that Council has considered the Internal Audit Report for the previous year and the matters arising addressed?	<input checked="" type="checkbox"/>		
Proper bookkeeping	Is the cashbook maintained and up to date?	<input checked="" type="checkbox"/>		
	Is the cashbook arithmetically correct?	<input checked="" type="checkbox"/>		
	Is the cashbook regularly balanced?	<input checked="" type="checkbox"/>		
Standing Orders and Financial Regulations	Has the Council formally adopted Standing Orders and Financial Regulations?	<input checked="" type="checkbox"/>		
	Has a Responsible Financial Officer been appointed?	<input checked="" type="checkbox"/>		
	Have items or services above a de minimis amount been competitively purchased?	<input checked="" type="checkbox"/>		
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	<input checked="" type="checkbox"/>		
	Has VAT on payments been identified, recorded and reclaimed?	<input checked="" type="checkbox"/>		CLAIMED
	Is Section 137 expenditure separately recorded and within statutory limits?	<input checked="" type="checkbox"/>		SEE SEPARATE NOTE
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?		<input checked="" type="checkbox"/>	

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Risk Management Arrangements (contd)	Do the minutes record the Council carrying out an annual risk assessment?	<i>d</i>		
	Is insurance cover appropriate and adequate?	<i>d</i>		
	Are internal financial controls documented and regularly reviewed?	<i>d</i>		
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	<i>d</i>		
	Is actual expenditure against the budget regularly reported to Council?	<i>d</i>		
	Are any significant variances from budget explained?	<i>d</i>		
Income Controls	Is income properly recorded and promptly banked?	<i>d</i>		
	Does the precept recorded in the cashbook agree to the Council Tax Authority's notification?	<i>d</i>		
	Are security controls over cash adequate and effective?	<i>d</i>		
Petty Cash Procedures	Is petty cash spent recorded, and supported by receipts?	}		
	Is petty cash expenditure reported to each Council Meeting?			NO PETTY CASH
	Is petty cash reimbursement carried out regularly?			
Payroll Controls	Do salaries paid agree with those approved by Council?	<i>d</i>		
	Are any other payments to the Clerk/other staff reasonable and approved by Council?	<i>d</i>		CONSISTENT



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Payroll Controls (contd)	Has PAYE/NIC been properly operated by the Council as an employer?	<input checked="" type="checkbox"/>		
Assets Controls	Do all employees have contracts of employment with clear terms + conditions?	<input checked="" type="checkbox"/>		NEED SIGHT OF HANDY MAN CONTRACT
	Does the Council keep an Assets Register of all material assets owned?	<input checked="" type="checkbox"/>		
	Are the Assets & Investments Register up to date?	<input checked="" type="checkbox"/>		
	Do asset insurance valuations agree with those in the Asset Register?	<input checked="" type="checkbox"/>		
Bank Reconciliation	Is there bank reconciliation for each bank account?	<input checked="" type="checkbox"/>		
	Is the bank reconciliation carried out regularly on the receipt of statements?	<input checked="" type="checkbox"/>		
	Are there any unexplained balancing entries in any reconciliation?		<input checked="" type="checkbox"/>	
	Is the value of investments summarised on the reconciliation?	<input checked="" type="checkbox"/>		
Year-End Procedures	Are year-end accounts prepared on the correct accounting basis?	<input checked="" type="checkbox"/>		
	Do accounts agree with the cashbook?	<input checked="" type="checkbox"/>		
	Is there an audit trail from underlying financial records to the accounts?	<input checked="" type="checkbox"/>		
	Where appropriate, have debtors and creditors been properly recorded?			NOT APPLICABLE

WELL MAINTAINED EASY TO FOLLOW AUDIT .

## **INTERNAL AUDIT SERVICE FOR AUSTERFIELD PARISH COUNCIL 2019 - 2020**

There are **NO** significant problem areas indeed the Accounts are very carefully and logically presented and all available in one place.

Questions to Address:

1. Terms and Conditions of Employment – S Clarke – Handyman – is an employee of the Council – Has an Employment Contract been issued and signed, and could I see a copy of it at some time?

Comments and Advice:

There appears to be some confusion around Donations and Section 137.

Section 137(1) of the 1972 Act permits each Community or Town Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Community and Town Councils are also permitted under section 137(3) to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2019-20 will be £8.12 per elector.

This restriction can change when the Clerk is Cilca Qualified as the Council can designate itself with "The Power of General Competence" which in effect removes this restriction and means that so long as it is reasonable and within spending parameters, a Council may designate funds to any purpose, but the "reasonable" element would suggest that funds should be proportionate and be of some benefit to the Parish Area.

I note that you have started the Cilca process and if this is true you are currently restricted to the Section 137 Limit but can re-designate the Council as "competent" on completion and graduating from the course.

Whilst Austerfield is to be applauded on its work to offer grants to the community and is fulfilling this by asking for certain criteria to be met, it can only restrict this to the limits of Section 137 at present and cannot spend beyond it.

The internet is full of examples of this and perhaps a little clearer on what I have just mentioned.



Andrew Bosmans  
Approved SLCC Internal Auditor