

## Internal Audit Check

### Cottenham Parish Council – y/e 31 March 2014

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

Check cash book properly written up and balanced	Accounts kept on SAGE. October payments looked at in detail	1
Verify selection of items against bank statement	October items verified	1

#### **B The Council's Financial Regulations have been met**

Standing Orders and Financial Regulations formally adopted	FRs revised February 2014.	1
RFO appointed	RFO appointed (DS)	1
Check selection of large purchases to ensure FRs followed	Purchase of tractor and mower. Five firms approached and report presented to Council. Approved by minute 13/112 (1/10/13) Restoration of war memorial. £7,980. Hibbit's chosen. No record of any other quotations available. Architecture and QS – Wilby and Burnett. Appointed some time ago.	2

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

Check selection of payments to ensure properly authorised.	October payments properly authorised. Note that some payments as listed are incorrect since Net and Gross figures are shown as the same.	2
Check vouchers relating to above	Selection of vouchers seen for October 2013	1
Check VAT has been properly accounted for	VAT properly accounted for using SAGE	1
Additionally check random selection of large payments in cash book	Invoices for large items as noted above seen	1
Check any s137 for amount, validity	£11,500 total. Well within limit. Note that the Council should use its specific powers before using S137	2
Check VAT reclaim(s) during the year	Regular claims submitted	1

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**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	Detailed comprehensive documentation	1
Do the minutes record the council carrying out an annual risk assessment?	No review was carried out during the year. Finance committee will review this.	3
Is the insurance cover appropriate and adequate – see also H below	Insurance handled through Came and Company. Separate motor insurance through Ageas (check that the cover is correct). Main policy through Aviva. Standard liability cover in place.	2
Are internal financial controls documented and reviewed?	Financial Regulations	2

**D The annual precept requirement resulted from an adequate budgetary process**

Has a budget been prepared?	Precept approved at meeting on January 2013	1
Is the precept based upon realistic assumptions including evaluation of required balances?	No details available	2

**D Progress against the budget was regularly monitored and reserves were appropriate**

Review existence and adequacy of budgetary reports	Detailed quarterly reports circulated. No paper copies available but I am assured that they were properly discussed.	2
Are there any significant unexplained variances?	None reported	1

**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?	Main source of other income is revenue from Village Hall. Some is regular bookings and some is handled directly by CUSSC. No detailed bookings diary is available but this is not a major issue	2

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**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 and to a proper imprest system?		

**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?	Some older provisions still in contracts but generally satisfactory.	2
Has the Council approved all salaries and do payments correspond with these decisions?	Salary of RFO approved on appointment. No other changes. A number of payments are made for extra hours which are not explicitly approved.	2
Are other payments (e.g. expense payments) reasonable and properly approved?	All payments approved by Council. Small amounts	1

**G PAYE and NI requirements were properly applied**

Check PAYE and NI records including P11, P46 or P45, notices of coding, etc	Employee pay and deductions record seen.	1
Check end of year returns including P35, P14	All carried out properly	1

**H Asset and investment registers were complete and accurate and properly maintained**

Check asset registers and ensure they are verified	Up to date asset register produced.	1
Ensure assets purchased during year (see minutes) are recorded	Play equipment added plus other items following theft	1
Do insurance values correspond to values in the asset register?	Latest insurance schedule not seen but previous year's schedule seems adequate	2

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**I Periodic and year-end bank account reconciliations were properly carried out**

Check for regular (monthly / quarterly) bank reconciliations for all accounts	All carried out using SAGE. Good practice is to have copies given to Council on a quarterly basis	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
Are investments recorded on the reconciliations?	None	-

**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 accounts produced on the correct basis?	Income and expenditure	1
Verify accounts to cash book	SAGE handles preparation of final account	1
Review audit trail from cash book to final accounts (I&E only)	No issues	1
Verify debtors and creditors (if appropriate)	Schedule of debtors and creditors shown on annual accounts. All seem reasonable	1

Note that all pages of the minutes should be initialled by the Chair of the meeting when the minutes are approved.

Levels of assurance: 1 – high, 2 – substantial, 3 – limited, 4 – minimal, n/c – not covered at this visit

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