

Hutton Parish Council – Internal Audit 2019/20

	Control Objectives	Agreed?	Evidence																																										
A	Appropriate accounting records have been properly kept throughout the financial year.	Yes	<p>The Clerk maintains a computerised cash book, which is updated regularly and reported to Committee on a quarterly basis along with a comparison of progress against budget.</p> <p>For each payment the cash book records the transaction date, payee, method of payment, minute number, expenditure type and gross amount paid. For receipts, the precept, grants, VAT and other income are itemised separately.</p>																																										
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes	<p>The Council's Financial Regulations and Standing Orders were updated and adopted on 24th February 2020.</p> <p>The orders require each payment to be authorised by the Council and minuted. Cheques and on-line payments are required to be authorised by 2 members of the Council. Where possible, invoices should be approved for payment at the next available parish meeting. When requesting authorisation of on-line payments, the clerk will provide scanned copy of any non-regular invoices. All payments are now made online.</p> <p>The following selective assessment of 5 payments (6%) has been checked and found to be in compliance with the Council's financial regulations:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Payee</th> <th>Amount</th> <th>Invoice Recorded in A/cs</th> <th>VAT Amount</th> <th>Minuted</th> <th>VAT correctly reclaimed</th> </tr> </thead> <tbody> <tr> <td>12/4/19</td> <td>Amberol</td> <td>£2,047.94</td> <td>✓</td> <td>£341.32</td> <td>20/5/19</td> <td>✓</td> </tr> <tr> <td>19/7/19</td> <td>C W Berry</td> <td>£72.45</td> <td>✓</td> <td>£12.08</td> <td>16/9/19</td> <td>✓</td> </tr> <tr> <td>26/9/19</td> <td>Vans Bulbs</td> <td>£264.00</td> <td>✓</td> <td>£44.00</td> <td>21/10/19</td> <td>✓</td> </tr> <tr> <td>12/11/19</td> <td>Latcreative</td> <td>£150.00</td> <td>✓</td> <td>£25.00</td> <td>9/12/19</td> <td>✓</td> </tr> <tr> <td>9/1/20</td> <td>Barton Grange</td> <td>£1,290.00</td> <td>✓</td> <td>£215.00</td> <td>24/2/20*</td> <td>✓</td> </tr> </tbody> </table> <p>There were no <u>net</u> purchases in excess of £5,000 in 2019/20 requiring 3 tenders.</p> <p>*This payment was not recorded on the minutes of the next meeting which was held on 13/1/20 but is recorded in the minutes of the next meeting.</p>	Date	Payee	Amount	Invoice Recorded in A/cs	VAT Amount	Minuted	VAT correctly reclaimed	12/4/19	Amberol	£2,047.94	✓	£341.32	20/5/19	✓	19/7/19	C W Berry	£72.45	✓	£12.08	16/9/19	✓	26/9/19	Vans Bulbs	£264.00	✓	£44.00	21/10/19	✓	12/11/19	Latcreative	£150.00	✓	£25.00	9/12/19	✓	9/1/20	Barton Grange	£1,290.00	✓	£215.00	24/2/20*	✓
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C	This authority assessed the significant risks to achieving its objectives and reviewed the	Yes	<p>The Council maintains a comprehensive risk management policy statement which is reviewed annually. The activities of the Council do not present any significant risks. The 2020 risk management policy and risk register were approved on 24/2/20.</p>																																										

	adequacy of arrangements to manage these.		<p>The Council has adequate insurance cover as follows:</p> <p>Public Liability £12m Employer liability £10m Fidelity guarantee £100k (Highest balance £65k) Officials Indemnity £250k Libel £250k Property damage Replacement cost.</p>
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	<p>The annual precept for 2019/20 was based on a comprehensive budget; expenditure for 2019/20 in most areas was in line with budget. The clerk has reported progress against budget to the Council on a quarterly basis.</p> <p>Reserves at the year-end were £40,023 including £30,274 Community Infrastructure Levy (CIL) funds. The balance at the year-end (excluding CIL) represents around 44% of the 2019/20 annual precept.</p>
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	<p>The Council's financial regulations require receipts to be banked within 10 working days and to be entered into the cash book.</p> <p>All other income has been received by BACS which is best practice.</p> <p>The Council submits a VAT return annually. The VAT identified in section B above had been correctly reclaimed.</p>
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes	<p>The Council does not have petty cash. The Clerk keeps a record of all expenses incurred on Parish Council business and reclaims the amount periodically.</p> <p>The expense claim of £84.50 reimbursed on 26/9/19 was checked against NALC mileage rates and against the Clerk's contract of employment. This amount was approved in the minutes on 21/10/19.</p> <p>The mileage rate claimed is in accordance with the NALC 2010/11 rates published in April 2010. Mileage allowances above 45ppm and telephone expenses are treated as a taxable allowance and tax has been correctly deducted at source.</p>

G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes	<p>The Clerk is contracted for 14 hours per week wef 27/6/11. The scale of annual remuneration was agreed on 21/5/07. The payment for quarter 3 was checked and is in accordance with current NALC pay scales (effective from 1/4/19) and the Clerk's contract of employment.</p> <p>Mrs Hastewell remuneration for producing the quarterly parish newsletter was agreed on 27/6/11.</p> <p>The parish lengthsman is now employed by the council and works 8hrs per week for 48 weeks. An assistant parish lengthsman has been employed by council for 8 hours per week for 26 weeks. The payments for September 2019 agreed to the contracts.</p> <p>NI and PAYE is calculated using HMRC software. PAYE and Employees NI are deducted at source and payed to HMRC quarterly along with Employers NI. Statutory employer returns have been submitted to the HMRC on-line. Both employees have been registered with the pension's regulator.</p>								
H	Asset and investments registers were complete and accurate and properly maintained.	Yes	Assets are required to be valued at purchase cost (or current cost if the purchase cost is not known) with no depreciation. The register has been updated for assets purchased in 2019; planters, bus shelter and benches. The SPID has been removed from the register as it has been written off in year. The current Asset Register was approved by the Council on 24/2/20.								
I	Periodic and year-end bank account reconciliations were properly carried out.	Yes	<p>The Clerk reconciles the accounts to the bank statements on a regular basis.</p> <p>Balances at 31/3/20 reconcile to the accounts:</p> <table data-bbox="875 1066 1568 1209"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td>Current</td> <td style="text-align: right;">4,645.82</td> </tr> <tr> <td>Deposit</td> <td style="text-align: right;"><u>35,377.61</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>40,023.43</u></td> </tr> </table>		£	Current	4,645.82	Deposit	<u>35,377.61</u>		<u>40,023.43</u>
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J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts & payments or income & expenditure), agreed to the cash book, supported by an adequate audit trail from	Yes	<p>Year end accounts have been prepared on a receipts and payments basis and agree to the cash book. The Clerk has maintained a comprehensive and well organised file, which along with the Councils minutes, provide a full and detailed audit trail.</p> <p>The Clerk has produced a statement of variances to submit with the accounts to the external auditor.</p>								

	underlying records, and where appropriate debtors and creditors were properly recorded.		
K	If the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt.	Not covered	
L	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.	N/A	
M	(For local councils only) Trust Funds (including charitable) – The council met its responsibilities as a trustee.	N/A	The council does not have any trust funds.

Signed

SANDRA WISEMAN ACMA CGMA

Date

6/5/20