Gate and Upper Helmsley PARISH COUNCIL

INTERNAL AUDIT REPORT – YEAR ENDED 31 MARCH 2016

To Do: Powers, FR's, STO's, Risks, Insurance, Reserves, Assets, P32's

	CHECK	COMPLIANCE?	ACTION RECOMMENDED TO COUNCIL
1	Cash book reconciled with invoices	Yes ✓	Ensure that description is provided for goods and services accounted for; invoices are allocated a reference number and this is noted in the cash – providing simplified cross referencing ✓ S137 payments must be noted in the allocated column ✓ Ensure all remittance advice is available for reconciliation with cash book ✓
2	VAT is correct in cash book linked to invoices	Yes	None
3	Separate column for VAT	Yes	None
4	Separate column for S137 payments	Yes	None
5	S137 powers checked	Yes	When the council plans to make expenditure of any kind the clerk needs to check the legislative power that will be used for the expenditure. YLCA is of the opinion that the council undertook three payments which needed to be shown as expenditure made using the power of Section 137 of the Local Government Act 1972 in the year. These are the defibrillator, winter maintenance and competitions. These payments should be identified separately in the council's cashbook and a note made in the minutes to show that this is the legislative power used to make the expenditure.
6	Number of cheque signatories. Confirmation of signatories initialling cheque book stubs	Yes	None
7	Bank reconciliation to 31 March provided	Yes	None
8	Financial regulations in place	No	The council is recommended to review its financial regulations in line with the 2016 model as prepared by the National Association of Local Councils. The model is being sent to the clerk. It is noted that the regulations are reviewed annually at the Annual Meeting of the Council.
9	Financial risk assessment in place	No	Example to be sent to council so that the RFO can draft a set of regulations which are appropriate to the council's financial activities and holdings.

10	VAT has been reclaimed	Yes	None
11	Annual Return figures are correct	No	Account needs to be taken of Ryedale District Council's Council Tax Support Grant (CTSG); precept figure on annual return should be displayed less CTSG, other receipts should include CTSG.
12	Council has approved accounts by the specified date	Yes	None
13	Notice of Electors Rights displayed at the requisite time	Yes	None
14	Petty cash, if any, managed	N/A	N/A
15	Budget drawn up	Yes	None
16	Bank statements reconciled to cash book and all statements present	Yes	None
17	Standing order on contracts adopted	Yes	Require updating to take into account Public Contracts Regulations 2015
18	All payments listed in minutes, including loan payments and income from lettings and other sources	Yes	None
19	Clerk's expenses claimed and correct	Yes	None
20	Standing Orders for the regulation of business adopted	Yes	None
21	Copy of insurance policy seen and Fidelity check	No	Evidence insurance premium paid but no schedule available; council must review adequacy of insurance on an annual basis as part of its risk management policy/strategy.
22	Copy of precept request seen	Yes	None
23	Level of reserves within	No	Advice provided as to recommendations for levels of reserves held by the council

	the recommendation of the Audit Commission		
24	Significant variances explained	Yes	None
25	Asset register submitted and checked against Annual Return, box 9	Yes No	Asset register requires updating. Annual return box 9 displayed number of items on the asset register rather than the total value of the council's assets.
26	a. Tax and NI properly applied b. Contract of employment in place? c. Real Time Information being carried out?	Yes	Payments seen in bank statements and pay slips provided however, HMRC records are to be forwarded to YLCA to provide evidence of PAYE and NI payments are correct. The contract of employment is fine.
27	Council's own internal control systems in place	Yes	There is a spot check system in place, however there is no record of this being undertaken – evidence should be provided of checks completed. Note the recommendation at point 26 to include HMRC payment as a regular feature of this exercise. The council should ask to see the print out from HMRC which confirms that the quarterly payment has been received.
28	Risk assessment completed for facilities open to the public	No	Risk assessment document provided which requires updating and review on a regular basis and further risk assessment is required for council meeting venue and all other council property
29	Is the council a sole trustee of a charity?	No	None
30	Is the Council complying with the Transparency Code (councils with income or expenditure under £25,000 pa)	Yes	None
31	Procedures for internet banking checked and spot checks made to ensure that the council is following its policy for such payments	N/A	N/A

31	Procedural issues	Yes ✓	Agenda items must denote specific items of business to be transacted. ✓
32	Council considered recommendations made in previous year's internal audit report	No report available.	

Internal Audit Report carried out by: Nicola Moorcroft

Date completed:5 May 2016