

# Internal Audit Plan – Lytchett Matravers Parish Council

## Documents needed – photocopies or email files

Transaction printouts – enclosed

- Bank statements – printouts enclosed. ✓
- Financial Regs and Standing Orders – on disk ✓
- Bank reconciliation – Tab on “accounts” excel file on disk ✓
- Clerk’s appointment letter and job description – on disk ✓
- Copy orders – N/A ✓
- Paid creditor invoices – paper and on disk ✓
- Copy sundry debtor invoices N/A ✓
- Receipt books - enclosed : Allotments, Burials, Misc ✓
- Cheque stubs - enclosed ✓
- Copy payslips – with Pam ✓
- PAYE Deduction sheets – with Pam ✓
- Council and committee minutes for the 12 months of the financial year – on disk ✓
- Annual insurance policy and schedules – on disk ✓
- Last available year end accounts – with Pam ✓
- Copy of most recent estimates for previous and current financial years – on bank rec ✓

## Year end only

- Asset Register - on disk and printout. ✓
- Year end financial statements –
- Year end VAT claim – copy of 2017/18 claim: on disk ✓

**Audit Report: Full Year 2018/19**

**Date:** 10-4-19

no significant problems found  
Systems seem to be robust and fit for purpose,

*Paula M White*

.....Auditor

*10-4-19*

.....Date

## Internal audit programme for Local Councils

Lytchett Matravers Parish Council.....Year: 2018/19

1. Proper book keeping
  - (a) Is the cash book maintained and up to date?
  - (b) Is the cash book mathematically correct?
  - (c) Is the cash book regularly balanced?
  
2. Payment Controls
  - (a) Has the Council formally adopted Standing Orders and Financial Regulations?
  - (b) Has a Responsible Financial Officer been appointed with specified duties?
  - (c) Have items or services above a de minimus amount been competitively tendered?
  - (d) Are payments in the cash book supported by invoices authorised and minuted?
  - (e) Are payments correctly coded?
  - (f) Has VAT on payments been identified, recorded and reclaimed?
  - (g) Are large capital contracts correctly administered?
  - (h) Is S137 expenditure separately recorded and within limits?
  
3. Risk Management Arrangements
  - (a) Does a scan of the minutes identify any unusual financial activity?
  - (b) Do the minutes record the Council carrying out an annual risk assessment?
  - (c) Do the minutes record an annual review of internal audit?
  - (d) Is insurance cover appropriate and adequate?
  - (e) Are internal controls documented and regularly reviewed?
  
4. Budgetary controls
  - (a) Has the Council prepared an annual budget in support of its precept?
  - (b) Is actual spend against budget regularly reported to the Council?
  - (c) Are there any significant unexplained variances form budget?
  
5. Income controls
  - (a) Is income properly recorded and promptly banked?
  - (b) Is all income due to the Council collected?
  - (c) Do prices charged agree with those set by the Council?
  - (d) Is VAT output tax treated correctly?
  - (e) Does the precept agree with that approved in the previous year's budget?
  - (f) Are security controls over cash adequate and effective?
  
6. Petty cash controls
  - (a) Is all petty cash spent recorded and supported by VAT invoices / receipts?
  - (b) Is petty cash expenditure reported to the council?
  - (c) Is petty cash reimbursement carried out regularly?
  
7. Payroll controls
  - (a) Do all employees have contracts of employment with clear terms and conditions?
  - (b) Do Salaries agree with those approved by the Council?
  - (c) Are other payments to employees reasonable, properly supported and approved by the Council?

- (d) Are all payments and deductions correctly coded and suspense accounts promptly cleared?
- (e) Has PAYE/NIC been properly operated by the Council as an employer?
- (f) Has the correct amount of net pay been made to the correct employee?

8. Asset Controls

- (a) Does the Council keep an asset register of all material assets owned?
- (b) Are the asset / investment registers up to date?
- (c) Do asset insurance valuations agree with those in the asset register?

9. Bank Reconciliations

- (a) Is there a bank reconciliation for each account?
- (b) Is bank reconciliation done regularly and in a timely fashion?
- (c) Are there any unexplained balancing entries in any reconciliation?
- (d) Is the value of investments held summarised on the reconciliation?

10. Year end procedures

- (a) Are year end accounts prepared on the correct basis?
- (b) Do the accounts agree with the cash book?
- (c) Do the comparative figures agree with last years statements?
- (d) Is there an audit trail from the underlying records to the accounts?
- (e) Where appropriate have debtors and creditors been properly recorded?
- (f) Are investments verified by statements or passbooks?
- (g) Are there any obvious errors or inconsistencies in the Financial Statements?
- (h) Do the figures on section 1 of the annual return agree with the financial statements?
- (i) Are the transactions of Trust Funds correctly excluded from the Council's Annual Return