

Internal Audit Check

Hemingford Abbots Parish Council – y/e 31 March 2021

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

Check cash book properly written up and balanced	Cash book is now kept on spreadsheets. Transactions for Jan-Mar 2021 chosen for more detailed examination	1
Verify selection of items against bank statement		

B The Council's Financial Regulations have been met

Standing Orders formally adopted and correspond to the latest good practice	Standing Orders were adopted in May 2021. Minor changes from previous version	1
Financial Regulations formally adopted and correspond to the latest good practice	Financial Regulations updated May 2021. Minor changes were made	1
RFO appointed and clear duties listed	Clerk is RFO	1
Check selection of large or unusual purchases to ensure FRs followed	There was only one payment to Wicksteed over £1,000.	1

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

Check selection of payments to ensure properly authorised.	Jan-Mar payments properly approved	1
Check vouchers relating to above	These are all in order. I note that, some are not made out to HAPC (e.g. internet hosting and domain name). The amounts are not large but it would be preferable if the invoices could be properly made out. The Clerk advises that VAT has not been claimed on these invoices.	1
Check VAT has been properly accounted for (for income, see below)	VAT is analysed in spreadsheet	1
Additionally check random selection of large payments in cash book	Wicksteed invoice seen	1
If electronic banking is used ensure that proper procedures are in place as provided for in the model Financial Regulations.	Covered by Financial Regulations.	1

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Check any s137 for amount, validity	There is one S137 payment which is reasonable	1
Check VAT reclaim(s) during the year or, if Council is registered, check that VAT returns correspond with the underlying records.	VAT has been reclaimed tree ties during the year	1
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	Set o documentation produced	1
Do the minutes record the council carrying out an annual risk assessment?	Approved May 2020	1
Is the insurance cover appropriate and adequate – see also H below	Standard Council policy with Came & Co	1
D The annual precept requirement resulted from an adequate budgetary process		
Has the Council prepared an annual budget in support of its precept?	Precept was set at the meeting on 26 November 2019; I cannot see explicit approval of the budget upon which this was based. However a budget has been entered into the monitoring spreadsheet and I have been provided with a copy.	2
Is the precept based upon realistic assumptions including evaluation of required balances?	Appears reasonable	1
D Progress against the budget was regularly monitored and reserves were appropriate		
Review existence and adequacy of budgetary reports	Detailed reports of expenditure to date are circulated to the Council. These are separately compared to budget.	1
Are there any significant unexplained variances?	None	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	Precept paid by BACS	1

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Is other income properly accounted for and are adequate procedures in place?	Main other income is CIL1	1
If appropriate, is the Council VAT registered and, if so, is VAT being properly charged?	Not registered	-
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	
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?	Yes	1
Has the Council approved all salaries and do payments correspond with these decisions?	All payment approved by Council	1
Are other payments (e.g. expense payments) reasonable and properly approved?	As above	1
G PAYE, NI and pension requirements were properly applied		
Check PAYE and NI. Alternatively, if a bureau is used, check the records of payments.	HMRC basic PAYE Tools used	1
Check end of year returns or, if a bureau is used, check that the documentation is in order.	All entries appear to be correct	1
Check that requirements for workplace pensions have been followed	Salary below level at which pension has to be offered	1
H Asset and investment registers were complete and accurate and properly maintained		
Does the Council have an Asset Register and is it regularly maintained?	This is in order	1
Ensure assets purchased during year (see minutes) are recorded	All ok	1

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Are asset insurance values adequate to cover list of assets in register?	Yes. These are adequate	1
I Periodic and year-end bank account reconciliations were properly carried out		
Check for regular (monthly / quarterly) bank reconciliations for all accounts	These are regularly carried out and signed off	1
Are reconciliations accurate and do they contain no unexplained items?	No issues	1
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 and where appropriate debtors and creditors were properly recorded		
Are year-end accounts produced on the correct basis R&P or I&E)?	R&P	1
Verify accounts to cash book	These agree with cash book and bank reconciliation	1
Is there an audit trail from underlying financial records to the accounts? (I&E only)		
Verify debtors and creditors (I&E only)		
K . IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick “not covered”)		
Did the Council satisfy this requirement?	Yes	1
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.		
Financial and information requirements	Turnover has increased since 2019-20 so these details are not required	1

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M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).

Check evidence of this	AGAR was approved 22 June 2020. It is not clear when the actual period for exercise of public commenced in that year although display of the notice was agreed at the same meeting.	2
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N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).

Check evidence	Sections 1 and 2 of the AGAR are not on the website, although all the other required information s present.	4
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O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee

Verify this was the case	The Council acts as sole Managing trustee of Hemingford Abbots Playing Field (although the term ‘Administrative Trustee’ is used in the Trust Deed). The charity has no financial transactions since all work is carried out and paid for by the Council. I have used the latest guidance in the 2021 Practitioners’ Guide in dealing with this assertion and believe that the Council correctly meets its responsibilities. However, I repeat the comment I made in 2018-2019 that the Council should ensure that it makes it clear when it is acting as Trustee. The Annual Returns to the Charity Commission are up-to-date.	1
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Levels of assurance: 1 – high, 2 – substantial, 3 – limited, 4 – minimal, n/c – not covered at this visit

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