

Internal Audit - Question/Action list – 2023/24

Askham Bryan Parish Council

A. Books of Account

1. Are they suitable for the purpose? **Yes. Done on a detailed spreadsheet which makes comparison with the previous year straightforward..**
2. Have they been properly kept in a timely manner? **Yes. Updated prior to each meeting.**
3. Are they reconciled with the bank statement on a regular basis? **Yes. Whenever a bank statement is received following transactions recorded.**
4. Do they agree with the Year End statement? **Yes. The annual statement is simple to verify against the base records.**
5. On what basis are they kept? **Receipts and payments**

B. Standing Orders and Financial Regulations

1. When were these last reviewed? **Not ascertained!**
2. Are they being adhered to? **It would be worth checking with YLCA to see whether their latest standard version can be adapted to meet the needs of the individual Council.**
3. Are the duties of the Finance Officer listed? **The appointment of the Clerk, who is also be the Finance Officer enabled the duties to be listed.**

C. Payment Controls

1. Were all payments supported by invoices? **Yes, with the Council using BACS to efficiently pay suppliers.**
2. Was expenditure properly approved before and after action? (This may be via delegated powers). **Yes.**
3. Is there a clear audit trail? **Yes**
4. Who is authorised to sign cheques? **Authorisation is given at the meetings for payments to be made.**

D. VAT issues

1. Is VAT shown separately in the accounts? **Yes – as a separate column on the spreadsheet to aid refunding.**
2. When was VAT last reclaimed? **In July2023, £467 was recovered in relation to 2022/3 with a further £2686 recovered in August 2023 for the current year leaving just £111 to be recovered in 2024/5 .**

3. How much reclaimable VAT is outstanding? **See above**

E. Risk

1. Have the risks been listed and an assessment made regarding the minimisation of risk? **Yes, mainly related to the condition of the play area and recreational space.**
2. Is there sufficient management of risk? **Yes, in relation to the level of risk.**

F. Internal checks and audit

1. Has the Council undertaken a review of internal checks and audit? **Yes. An experienced former Parish Clerk has been appointed - to ensure practices are sound and the finances are properly managed - as the independent examiner.**
2. Are there any specific points that the internal auditor should look at? **Everything appears to be in good order.**
3. Does any council member check the accounts during the year? **The figures and detail are made available at each meeting but the volume is relatively small (excluding the monthly clerk's salary and any expenses to reclaim)**

G. Budget

1. Has the council budgeted in a clear and adequate way? **Yes. A detailed forecast was made which indicated that it would be sensible to marginally increase the precept by £500.**
2. How often does the clerk provide progress reports of the actual position compared with the budget? **I would recommend this was done on a quarterly basis and not just when the following year's budget was being considered.**

H. Income

1. What checks are in place to ensure the correct precept has been received? **It would be i) has the advice from City of York Council been received? and ii) has the money been received into the bank?**
2. Was all other income received as expected? **Apart from the receipt of the VAT refund the only other income related to the payment from CYC in lieu of the grass cutting**
3. Does the system of receipt of income ensure that it is properly recorded and promptly banked? **Precept is received directly into the bank account as were the other receipts.**
4. Was VAT on income (where relevant) properly accounted for? **Not applicable.**

I. Balances/Reserves

1. Are all account balances shown? **Yes. All the money is in the current account though it may be worth considering having a deposit account now that interest rates have reached a reasonable level.**
2. Are “surplus” balances invested in the best (safe) account to maximise interest? **See comment above.**
3. Are the reserves appropriate for the known plans of the Council? **Yes. The balance of £11,443 is marginally above the level of expenditure in the year of £10,773 after deducting the cost of the playground equipment. The minimum recommended by the Charity Commission is 6 months cover.**

J. Petty Cash

1. Is there an adequate check on petty cash? **There is no petty cash. The clerk is reimbursed by BACS along with his salary for any expenses incurred.**
2. Were items properly supported by receipts and expenditure approved? **Yes.**
3. Is VAT properly accounted for, where appropriate? **Yes, where the VAT number and amount of VAT is shown or can be deduced based on the percentage stated..**

K. Employees' Pay and Conditions

1. Are there a clear minute and also a contract detailing the employees' pay and conditions? **Yes**
2. Are payments made according to these details? **Yes**
3. Have the new procedures for registering the Parish Council and the Clerk with HMRC been actioned? **HMRC is paid monthly with the Clerk receiving the net amount.**
4. Are PAYE Income Tax and NI payments being made by the prescribed manner? **See above.**

L. Assets and Investments

1. Is there a list of assets and investments that is checked/modified on an annual basis? **A detailed list is updated as new assets are purchased. The value now stands at £30872 as a result of the recent purchase of new playground equipment of £12,437.**

M. Insurance

1. When was this last reviewed to ensure that all assets /risks were covered?
It is reviewed annually

N. Debtors and Creditors

1. Is there a record of money owing and owed? **Yes. Just the reclaimable VAT from HMRC is due.**
2. What are the details, if appropriate? **As stated previously, just £111 relating to the current year.**

O. Section 137 payments

1. Is there a clear separate list of S137 payments? **No payments were made in the year.**
2. How much was donated during the financial year? **Nil**

P. Auditors Comments

1. **I always recommend that VAT should normally be recovered in February so that the Council is fully aware of the cash resources available to it at the start of the financial year. (See outstanding amount above)**
2. **It appears that the financial affairs of the Parish Council are in a safe pair of hands.**

B Hopper
May 2024