

INTERIM INTERNAL AUDIT PROGRAMME

For: Okehampton Hamlets Parish Council

Date: 10th February 2023

Section 1: Assets and Investments

TASK	COMMENTARY	RECOMMENDATION
Ensure there is an inventory or register of all council assets.	Asset Register in place. This is updated annually.	Consider recording serial numbers for equipment in case they may be required as part of an insurance claim in the future
Basis of asset valuation.	<p>Valuations are based mainly on the cost of an item.</p> <p>Meldon Woods, Quarry Park and the shed are valued at a total of £76,000. If Meldon Woods were a gift then they should have originally been valued at £1. If Council invests in the area in future then capital costs should be recorded on the asset register.</p> <p>Query whether the shed was purchased as this would be the value of the asset shown on the Fixed Asset Register.</p> <p>It would be normal to value gifts at a nominal value of £1.</p>	<p>Ensure asset register is updated by 31st March 2023 for inclusion on AGAR.</p> <p>Recommend that a revaluation of replacing the shed is undertaken to ensure it is adequately covered on the insurance schedule.</p> <p>Recommend that in future when an asset is added to the asset register a copy of the purchase invoice be attached for reference.</p>
Check assets correctly insured.	Insurance cover with Hiscox. Policy Number – 1891376. All in order.	
Check inventory/register updated for all new asset purchases.	Register to be updated at year end.	To be updated.
Check investment procedures and security	N/A	
Check investment policy in place	No investment policy in place. The Council does not have adequate funds to operate an	

	investment policy.	
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Section 2: Income

TASK	COMMENTARY	RECOMMENDATION
1. CASH INCOME		
Check procedure for collecting and recording cash income.	All in order. Two precept payments have been received. Other income includes VAT refund, wayleave income and bank interest	
Check cash banked and frequency.	Banking is mainly electronic. No cash received.	
Check any cash balances unbanked.	No cash or cheques unbanked.	
2. CREDIT INCOME		
Check procedures raising invoices.	Invoices are not raised as there is no specific income generation activities.	
Check all necessary invoices have been raised.	N/A	
3. CREDIT CONTROL		
Check responsibility for collecting sums due to Council.	Income is received by electronic payment. No outstanding debts identified.	
Review Debtor balances	N/A	
Review correspondence for chasing debts	N/A	
4. BAD DEBTS		
Review reasons for non-payment.	N/A	
Check all reasonable steps taken to collect debts.	N/A	
Check Council authority has been obtained to write off any bad debts.	No bad debts have been identified.	
5. CREDIT BALANCES		
Look at Debtors list and identify any overpayments.	No material overpayments.	

Assess the reason for their existence and any mitigating factors related to overpayments.	N/A	
6. ACCURACY		
Check that VAT is correctly treated if applicable	All in order.	
Check that VAT is reclaimed on a regular basis.	VAT is normally claimed annually. Annual VAT claim balances. VAT is being dealt with correctly.	

Section 3: Cash and Bank

TASK	COMMENTARY	RECOMMENDATION
1 RECEIPT OF MONIES		
Review procedures for receipt of cash.	No cash is collected.	
Are cash receipts listed and reconciled to cash book?	No cash receipts received during financial year to date.	
Are all cheques/cash received banked on a daily basis? If not:	N/A	
a) Do proper safe facilities exist?	Not required	
b) Is there adequate insurance cover in place?	All in order. Adequate cover in place. Continue to monitor and review.	
2. BANK RECONCILIATION		
Check bank reconciliations are performed on a monthly basis and agree on all bank accounts.	Bank reconciliations are completed on a monthly basis. Council uses spreadsheets to record their accounts	Council receives regular financial information. This is good practice and should continue.
Review bank reconciliations and ensure no payments or receipts are being carried forward for a number of months.	These are all in order. No payments or receipts are being carried over month by month.	
Note any unidentified bankings.	None identified.	

Section 4: Payments

TASK	COMMENTARY	RECOMMENDATION
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Have all cheques and BACs payments been included on payment schedule, approved by council and included in the minutes?	All income and expenditure is reported monthly as part of the agenda. Approvals for payment of accounts fully recorded in the minutes.	Continue to carry out this reporting.
Check payments (either from cheque book stub or cash book payment record) to supplier invoice and purchase order. Ensure payee is correct.	No cheques written in 2022/23 to date. Bank payments are all electronic.	
Check security of cheque books, where are they stored, who has access.	Safely stored at Clerk's home. House is secure. All in order.	
Make sure cheques run in number order, investigate any gaps in numbers (e.g. cancelled cheques)	All banking and payments are now electronic. All in order.	
Check spoiled cheques and make sure they are marked as "Cancelled" or retained.	None identified.	
Examine petty cash expenses and check petty cash balances if applicable.	N/A. Council does not operate a petty cash account.	
Examine all expenses claimed by employees/ councillors and check validity.	All expenses paid are in order. Random check confirmed.	

Section 5: Payroll

TASK	COMMENTARY	RECOMMENDATION
Check contracts of employment for all staff are in place.	Contract is in place.	
Check all staff on payroll against contracts of employment. Obtain explanation of why any staff on the payroll do not have contracts of employment if applicable.	All in order. Payroll is contracted out and reports are	
Check gross pay for each employee is at the correct rate.	All in order.	
Check overtime authority, if applicable.	All in order.	
Check timesheets, if used, against payroll.	Timesheets are not in place.	Consider recording hours and submitting basic timesheets to Chair for approval.
Check PAYE/NI paid over to inland revenue by correct date.	All in order.	

Check any sick pay is laid out in Council employment policy	All in order.	
Check statutory maternity pay and statutory sick pay deductions.	N/A	

Section 6: Supplier Invoices

TASK	COMMENTARY	RECOMMENDATION
Sample Check: Purchase order to delivery note to supplier invoice.	All in order. Random check carried out against invoices, bank statements and accounting records.	
Check old creditors and ascertain why still unpaid if applicable.	None identified.	
Investigate any overpayments to suppliers.	None identified.	

Section 7: General

TASK	COMMENTARY	RECOMMENDATION
Print and check trial balance.	All in order.	
Identify whether regular bank balance information is submitted to Council.	Financial reports are presented to Full Council.	
Check actual expenditure against estimates and investigate overspends.	All in order.	
Check VAT returns (VAT 100) are being made on time.	All in order.	
At year-end make sure that amount of VAT re-claimable (or payable), agrees with sum declared on the balance sheet.	All in order to date.	
Check precept is calculated by correct budget process.	Budget process in place. Precept calculation is correct.	
Check members are regularly provided with budget information.	Reports presented and provide budget and expenditure/income overview.	
Ensure insurance cover is adequate.	Hiscox provides Council's insurance through Gallaghers.	

Section 8: Risk

TASK	COMMENTARY	RECOMMENDATION
Check Risk Register is in place and updated annually.	<p>All in order. Reviewed in May 2021. Minute Ref: 263/11.4. This is to be reviewed again in February 2023.</p> <p>Noted that separate risk assessments were undertaken for Jubilee Beacon event held June 2022.</p>	Ensure Risk Register continues to be reviewed annually and adopted by Full Council.
Review any IT systems and check data back-up procedures and data security is in place.	System set up by Council's IT supplier. The system is backed up automatically on to a memory stick. No manual intervention required apart from exchanging memory sticks and moving them to another part of the house for safe keeping. IT supplier can also access the backup remotely if required and remote daily monitoring undertaken to ensure backup has taken place.	Recommend that back-ups are tested occasionally to ensure records can be restored. Target date by 30th June

Section 9: Minutes

TASK	COMMENTARY	RECOMMENDATION
Check quorum present for each full council meeting.	Quorum present at each meeting.	
Check minutes properly signed.	All minutes are signed by the Chair at the meeting.	
Check pages in minute books sequentially numbered.	All in order.	
Check there is a minute authorising precept request.	Minute Ref: 272/2/10.4	
Check there is a minute authorising any change in salary scales for the Clerk and other staff, if relevant.	<p>Minute Ref: 277/4/10.7 SCP 24, £15.16 per hour.</p> <p>Reviewed in December 2022. Minute Ref:</p>	

	284/3/10.2	
Check there are minutes authorising any exceptional financial transactions.	All financial transactions are presented to Council for authorisation.	
Check minutes detailing competitive quotes for large contracts.	All in order.	
Check the correct legal procedure has been followed regarding contracts over £25,000.	No contracts over £25,000 entered into this financial year.	
Check Standing Orders reviewed annually and adopted.	Standing Orders are reviewed annually. Web version updated on 21 st February 2021. Were reviewed in May 2022. Minute Ref: 277/3/11.4	Update Standing Orders review date on the website.
Check Financial Regulations reviewed annually and adopted.	The Financial Regulations on the website were updated on 4 th May 2021. They were reviewed again in May 2022. Minute Ref: 277/3/11.1 The Council has also adopted a Statement of Internal Control. This does need amending in places (Internal Auditor, nominated Councillor etc.)	Update Financial Regulation review date on the website. Update Statement of Internal Control as required.
Check that payment authorisation is agreed on all outstanding accounts.	Authorisation is resolved at Full Council meetings on all expenditure.	
Check that an RFO has been appointed.	Parish Clerk is also the RFO.	

ACTION PLAN

TASK	COMMENTARY
Ensure there is an inventory or register of all council assets.	Consider recording serial numbers for equipment in case they may be required as part of an insurance claim in the future.
Basis of asset valuation.	Ensure asset register is updated by 31 st March 2023 for inclusion on AGAR. Recommend that a revaluation of replacing the shed is undertaken to ensure it is adequately covered on the insurance schedule. Recommend that in future when an asset is added to the asset register a copy of the purchase invoice be attached for reference.

Check inventory/register updated for all new asset purchases.	Register to be updated at year end.
Check Risk Register is in place and updated annually.	Ensure Risk Register continues to be reviewed annually and adopted by Full Council.
Review any IT systems and check data back-up procedures and data security is in place.	Recommend that back-ups are tested occasionally to ensure records can be restored.
Check Standing Orders reviewed annually and adopted.	Update Standing Orders review date on the website.
Check Financial Regulations reviewed annually and adopted.	Update Financial Regulation review date on the website. Update Statement of Internal Control as required.
Check timesheets, if used, against payroll.	Consider recording hours and submitting basic timesheets to Chair for approval. This will enable the Council to ensure that it is providing enough hours for the Clerk to cover all the various aspects of the role.