

Heybridge Parish Council
Internal Audit Programme (2016-2017)

1. Bank receipts and payments

1.1 Bank Income

- Select 4 sources of income from the block bookings and casual lettings of Plantation Hall, lettings of King George's Field and other sources of income from the source documents.
- Check that the correct rates/prices were charged with Parish Council approved list of rates/prices.
- Trace the bankings of those 4 items to ensure that they are banked in their entirety.
- Trace the bankings to the summaries of income.
- Ensure that the bankings are correctly analysed including any VAT included in the income.
- Confirm that the annual precept is received by tracing the receipts to the bank accounts and to the summaries of income.
- Confirm that all the bank receipts in a month were reported to the Parish Council at the following months Parish Council meeting and are recorded in that month's minutes.
- Trace the income summaries to the annual accounts.

1.2 Bank payments

- Select 4 items from the source documents.
- Check that the invoices have been approved for payment and that checked against delivery notes where applicable.
- Trace payment of the 4 items to the bank statements and summaries of payments.
- Ensure that the 4 payments are correctly analysed including any VAT payable.
- Verify that the 4 payments have been reported to the Parish Council and minuted.
- Trace the payment summaries to the annual accounts.

1.3 Bank reconciliations

- Verify that bank reconciliations are prepared monthly.
- Check one month's reconciliations.

2 VAT

- Trace VAT figures from the income and payments summaries for one quarter.
- Check the calculation of VAT payable or refundable for that quarter.
- Trace payment or repayment for the quarter to the bank statement.
- Verify that the VAT returns have been submitted on time by checking the submission date on VAT summary.

3. Salaries & Wages

- Obtain a list of current employees and their salaries and wages from the Parish Clerk.
- Check the list against the salaries and wages paid for the previous month.
- Verify that any increase in salary or wages has been approved by the appropriate committee of the Parish Council.
- Verify the PAYE codes used accord the advices from HM Revenue & Customs
- Verify that the correct deductions are made in respect of pensions contributions.
- Verify the payment of salaries and wages for the chosen month to the bank statements.
- Trace the payment of PAYE, National Insurance, pension contributions and any other deductions to the appropriate authorities/ organisations for that month.
- Verify that the correct employers pension contributions have been paid for that month.
- Trace the annual totals of gross wages, employer's national insurance, employer's pension contributions to the annual accounts.

4. Petty Cash

- Verify that money to make petty cash payments comes only from the bank.
- Check that petty cash reimbursements are made on the impress system.
- Check 4 petty cash payments. Confirm that they have been properly authorised and approved and are supported by receipts.
- Check that the 4 payments been recorded on the petty cash summary and correctly analysed.
- Count the petty cash at the date that the petty cash payments are checked and ensure that it agrees with the petty cash balance per the accounting records.
- Trace the petty cash summary to the annual accounts.

5. Annual accounts

- Check that the annual accounts have been prepared under the appropriate accounting basis for the Parish Council.
- Check that debtors and creditors are correctly calculated.
- Check that the figures in the Income and Expenditure are correctly stated.

6. Budgets

- Attend all the Budget Committee meetings to ensure that budgets are properly prepared and that the calculation of the proposed precept for the following financial year is supported by the appropriate calculations.
- Ensure that the annual budget, once approved by the Parish Council, is correctly stated on the monthly financial report to the Parish Council.
- For one month, trace the receipts and payments from the source summaries to the monthly financial report to the Parish Council.
- Ensure that the parish Council standing orders in respect of reserves are adhered to. If that is not the case, then that the situation is recognised by the Parish Council, the reason why is noted and any measures being taken to rectify the situation.

7. Asset register

- Check that the asset register records all the council's assets.
- Check that the asset register records assets at cost as well as replacement value.

8. Financial regulations and standing orders

- Check to ensure that the financial regulations and standing orders are adhered to.

9. Other work

- Check that the parish Council has assessed the risks to achieving its objectives and have reviewed the adequacy of arrangements to manage these.

Agreed by Budget Committee on 9th November 2016