

BRANT BROUGHTON PARISH COUNCIL
Internal Audit Report

18 May 2015

Distribution:

Mr. C. Thornton – Chairman

Ms. J. Guest – Parish Clerk

Scope of Work:

We have reviewed the manual and computer records maintained by the Brant Broughton Parish Council for the year ended 31 March 2015.

We would like to thank members and the Parish Clerk for their assistance during our audit engagement.

Internal Auditor: Carol Breeze ACA, GCMA, FCMA

AUDIT FINDINGS

GENERAL

Finding: **Section 137 expenditure not identified.**

1. Expenditure incurred under Local Government Act 1972 section 137 should be identified and a separate analysis maintained. Each year the cash limit in section 137 should be calculated and compared to the total expenditure as per the analysis.

We noted that expenditure incurred under this power was not listed separately.

2014 AUDIT FINDINGS NOW CLEARED

Finding: **Competitive estimates or quotes not always invited.**

1. **Reported 17 January 2014:** The Standing Orders state when three estimates or quotes should be obtained. We noted that in most cases two quotes were obtained and that for the Playing Fields contract only one quote had been invited.

18 May 2015: Where required, three quotes are being sought. However, it was noted that those invited to tender for work do not always submit a quote.

Finding: **Official orders not used when orders place.**

2. **Reported 17 January 2014:** As far as possible, a fully priced official order should be sent to suppliers in advance of delivery of goods. Official orders both commit a supplier to a price and help prevent unauthorized credit being granted in the council's name. We suggest that a Purchase Order template be set up using Word and that sequentially numbered documents are posted or e-mailed to suppliers when orders are placed.

18 May 2015: We noted that official Purchase Orders are now being used.

Finding: **Legal power for expenditure not recorded in Minutes.**

3. **Reported 17 January 2014:** The proper legal power under which expenditure is to be incurred should be identified and recorded prior to the purchase being approved. We noted that this has not been done.

18 May 2015: The proper legal power for each item of expenditure is now recorded upon the spreadsheet attached to the Minutes.

BANKING PROCEDURES

Finding: **Bank reconciliations not separately reviewed.**

4. **Reported 17 January 2014:** The bank reconciliations prepared each month by the Parish Clerk should be independently checked and verified. A hard copy of the bank reconciliation prepared for each of the bank accounts should be printed and signed by the reviewer and maintained on file.

18 May 2015: We noted that bank statements are being checked and reconciled to the Cash Book on a monthly basis and hard copies are signed by the Committee Member reviewing the documents.

FIXED ASSETS

Finding: **No up-to-date Fixed Asset Register available.**

5. **Reported 17 January 2014:** The council is required to maintain an asset and investment Register. The existence of such a Register will facilitate the effective physical control and efficient use of assets. Furthermore, such a Register forms a record of assets held for insurance purposes.

18 May 2015: The Fixed Asset Register has now been brought up-to-date.

Finding: **Assets not physically checked.**

6. **Reported 17 January 2014:** Assets should be physically checked at least annually to confirm existence, condition and insurance value. This has not been done.

18 May 2015: During 2014-15, all assets have been physically checked and given an asset number.

Furthermore, a list has been prepared of all assets which required attention.