



Brackley Town Council

EFFECTIVENESS OF INTERNAL AUDIT 2023-24

INTERNAL CONTROL	SUGGESTED TESTING	TOWN COUNCIL CONTROLS
Proper bookkeeping	Is the cashbook maintained and up to date? Is the cashbook arithmetic correct? Is the cashbook regularly balanced?	The Council uses a software program called RBS Omega which is specifically designed for Local Councils. Control over these aspects is part of the program.
Standing Orders and Financial Regulations adopted and applied Payments controls	Has the council formally adopted standing orders and financial regulations? Has a Responsible Financial Officer been appointed with specific duties? Have items or services above the de minimus amount been competitively purchased? Are payments in the cashbook supported by invoices, authorised and minuted? Has VAT on payments been identified, recorded and reclaimed? Is s137 expenditure separately recorded and within statutory limits?	Yes Yes Yes exceptions have been made with suspension of Financial Regulations for appropriate reasons. A schedule of expenditure is presented to each Finance and Policy meeting. Invoices are available at the meeting for inspection and signature by two Councillors. We have also introduced the raising of purchase orders before any expenditure is agreed. Yes – a list is produced by Omega and reclaimed every 3 months. The Council has adopted the General Power of Competence so this is no longer a legal requirement

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Risk management arrangements	<p>Does a review of the minutes identify any unusual financial activity?</p> <p>Do minutes record the Council carrying out an annual risk assessment?</p> <p>Is insurance cover appropriate and adequate?</p> <p>Are internal financial controls documented and regularly reviewed?</p>	<p>To be reviewed by Internal Auditor at final accounts. Nothing identified in last year's audit</p> <p>Yes. This was carried out in February 2022</p> <p>Yes, currently with WPS (Aviva), following a full review of cover undertaken by Town Clerk at renewal. Any changes to cover WPS are notified immediately.</p> <p>The Council carries out internal monitoring on a regular basis by a nominated Councillor. This is undertaken periodically throughout the year, a summary is reported back to the Finance and Policy Committee. There is also a monthly spot check of payments, undertaken by a member of the Finance & Policy Committee</p>
Budgetary Controls	<p>Has the council prepared an annual budget in support of its precept?</p> <p>Are there any significant unexplained variances from budget?</p>	<p>Yes</p> <p>Reasons for any such variances are provided in a covering report.</p> <p>Quarterly budgetary reports are presented to Finance & Policy.</p>
Income Controls	<p>Is income properly recorded and promptly banked?</p> <p>Does the precept recorded agree to the Council Tax authority's notification?</p> <p>Are security controls over cash adequate and effective?</p>	<p>Yes</p> <p>Yes</p> <p>Yes - To be reviewed by Internal Auditor at final accounts.</p>

Effectiveness of Internal Audit 2023-2024
Adopted 15 May 2023
Next review date May 2024

INTERNAL CONTROL	SUGGESTED TESTING	TOWN COUNCIL CONTROLS
Payroll Controls	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <p>Do salaries paid agree with those approved by the council?</p> <p>Are other payments to employees reasonable and approved by the council?</p> <p>Have PAYE/NI been properly operated by the council as an employer?</p>	<p>Yes</p> <p>Yes - To be reviewed by Internal Auditor at final accounts.</p> <p>NOTE: Council use independent Payroll provider to handle all employment liabilities – these and salary payments are made in accordance with the Payroll providers instructions.</p> <p>Yes – all other payments are presented to council for approval.</p> <p>Yes</p>
Assets controls	<p>Does the council maintain a register of all material assets owned or in its care?</p> <p>Are the assets and Investments registers up to date?</p> <p>Do asset insurance valuations agree with those in the asset register?</p>	<p>Yes</p> <p>Yes - To be reviewed by Internal Auditor at final accounts.</p> <p>Those assets needing replacement are insured at replacement value.</p>

INTERNAL CONTROL	SUGGESTED TESTING	TOWN COUNCIL CONTROLS
Bank Reconciliation	<p>Is a bank reconciliation carried out regularly and in a timely fashion?</p> <p>Are there any unexplained balancing entries in any reconciliation?</p> <p>Is the value of investments held summarised on the reconciliation?</p>	<p>Yes – Bank Reconciliation is carried out monthly and reviewed at Finance committee and is reviewed by Internal Auditor at final accounts.</p> <p>No - Omega system requires a match between bank balances and transactions made.</p> <p>Yes</p>
Year-end procedures	<p>Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?</p> <p>Do accounts agree with the cashbook?</p>	<p>Yes</p> <p>Review undertaken by the Internal Auditor as part of the review of the accounts for the year.</p>