



Newnham on Severn Parish Council Annual Return 2016 – Visit date : 12th April 2016

Requirement	Internal Audit Comments	Conclusion
A Appropriate books of account have been properly kept throughout the year.	The Council maintains its accounts using an excel spreadsheet. This form of accounting is commonly used by Councils of this size. Generally the records were found to be well maintained.	YES
B The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	The Council reviewed its Financial Regulations at a meeting held on 29 th February 2016. Standing orders were reviewed at the Annual Meeting It was noted that the Council has amended its cashbook which now includes a VAT analysis column.	YES
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Council maintains a Risk Register. This was subject to review by Council on 25 th January 2016	YES

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D	<p>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>The Council approved the budget and precept at a meeting held on 24th November 2014. Regular budget reports have been prepared and subject to review by Councillors.</p>	<p>YES</p>
E	<p>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	<p>Observation: The Council receives income from allotments and as received various amounts of S106 income. It was noted that the Council does not currently have Neighbourhood Plan. This may potentially have a significant impact on income in future years (CIL entitlement is 15% without a Plan and 25% with a plan).</p> <p>Recommendation: The Council should consider the need for a Neighbourhood Plan</p> <p>Observation: It was noted the Council holds 83 shares in Santander. This appears to be an historical arrangement. A small amount of dividend income is received each year.</p> <p>Recommendation: Shares to be included in Asset Register at a current market valuation which should remained unchanged until disposal.</p>	<p>YES</p>
F	<p>Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.</p>	<p>The Council does not maintain a petty cash</p>	<p>N/A</p>

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<p>G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.</p>	<p>Observation: The Council pays a person to open the doors at the toilets. This person is not an employee of the Council and their cost should not be included in Box 4 of the Annual Return. Similarly payroll services should not be included in staff costs (they should be included in Box 6).</p> <p>Recommendation: The draft Box 4 and 6 numbers were amended during the audit visit</p> <p>Recommendation: The Council should specify in writing that the door opening arrangements are subject to the following conditions. 1) The person opening the doors is not obliged to do this in person and may arrange for another person to do this 2) That in the event that the person cannot do this they are required to arrange for someone else to do this. (This will make it clear that the person is not working as an employee for PAYE purposes)</p>	<p>YES</p>
<p>H Asset and investments registers were complete and accurate and properly maintained.</p>	<p>Observation: The Council has formally reviewed its asset register. This was done at a meeting held on 29th February 2016. It was noted that the second page of the Minutes for this meeting was missing. (The clerk provided the auditor with an unsigned copy of this page during the audit visit)</p> <p>Recommendation: Missing page of the meeting of 29th Feb to be signed and included.</p>	<p>YES</p>
<p>I Periodic and year-end bank account reconciliations were properly carried out.</p>	<p>Regular bank reconciliations have been carried out and subject to review by Councillors</p>	<p>YES</p>

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<p>J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.</p>	<p>The Council reports on a receipts and payments basis which is permitted for a Council of this size. Consequently the council does not record debtors and creditors.</p>	<p>YES</p>
<p>K Trust funds (including charitable) The council has met its responsibilities as a trustee.</p>	<p>The Council does not act as Trustee</p>	<p>N/A</p>