

Newnham on Severn Parish Council Internal Audit Report 2018



19 April 2018 at 07:39:

(to be read in conjunction with the attached Internal Audit Recommendations)

	Internal Control Objective	Observation	Internal Audit Response
A	<i>Appropriate accounting records have been kept properly throughout the year.</i>	The Council maintains its accounts using an Excel spreadsheet, which is common for a Council of this size. The records reviewed were found to be well maintained	Yes
B	<i>This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	The Council maintains a set of Financial Regulations which was reviewed during the year. A sample of payments was selected, in all cases it was possible to obtain sight of the original supporting documents which had been appropriately approved	Yes
C	<i>This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	The Council maintains a Risk Register which was reviewed in March 2018	Yes
D	<i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	The Council set its precept at a meeting held in October 2016. The Council should refer to the attached Internal Audit Observations	Yes

	Internal Control Objective	Observation	Internal Audit Response
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	The Council receives a limited amount of income from allotments and burials. The Council is not VAT registered but does make some supplies that would normally be subject to VAT. The Council should refer to the attached Internal Audit Observations	Yes
F	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	The Council does not maintain a Petty Cash	N/A
G	<i>Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.</i>	The Council pays its employees under PAYE using a third party payroll agency. The Council should refer to the attached Internal Audit Observations	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council maintains an asset register which has been updated during the year. The Council should refer to the attached Internal Audit Observations	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	The Council has undertaken regular bank reconciliations which have been reviewed and signed by the Chair	Yes

	Internal Control Objective	Observation	Internal Audit Response
J	<i>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.</i>	The Council reports on a Receipts and Payments basis, consequently there are no debtors or creditors recorded at year end.	Yes
K	<i>Trust funds (including charitable) – The council met its responsibilities as a trustee.</i>	The Council does not act as Trustee	N/A

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