

South Brent Parish Council Internal Audit Report 2017



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

	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 Councils 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 has in place a set of Financial Regulations which are based on the 2014 Model Regulations. A test of bank payments was undertaken. In all cases it was possible to trace original supporting vouchers	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 has in place a Health & Safety policy and reviewed its insurance coverage during the year, however it was noted that the Council does not appear to have in place a formal Risk Register. The Council should refer to the attached Internal Audit Observations	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 the precept at a meeting held on 25 th January 2016. The Council maintains a detailed schedule of Reserves which have been subject to review by the Finance Committee	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 was in receipt of a large amount of income during the year in respect of a supply made to the village hall. It appears that this supply was made in order that the Council could recover, on behalf of the village hall, the VAT incurred. The Council should refer to the attached Internal Audit Observations	No
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 operates its payroll under PAYE and has made the required returns to HMRC	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council maintains an asset register which was reviewed by the Finance Committee in April 2017	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	The Council has reconciled its bank accounts. At the year end there were no unusual reconciling items	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 at the year end there were no debtors or creditors recorded	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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