

Annual Internal Audit Report 2018/19

NASH PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	To DO see report.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	To DO see report.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		✓	Do Not operate
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.		✓	PAYE NOT Deduct
H. Asset and investments registers were complete and accurate and properly maintained.	✓	✓	No Assets
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. 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.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)	✓		
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			Not applicable ✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

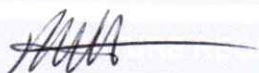
Date(s) internal audit undertaken

05/05/2019

Name of person who carried out the internal audit

KEVIN LAWRENCE ADAMS

Signature of person who carried out the internal audit



Date

05/05/19

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

INTERNAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March 2019

Nash Parish Council

I have carried out an internal audit in accordance with the Council's needs and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

The Council has made headway in putting controls in place during 2018/19, however there are still areas where improvements must be made.

Internal Audit opinion

Based upon the documents and evidence presented to me,

My opinion is that :-

The internal controls put in place during 2018/19 were adequate for the Council's purposes.

Individual internal control objectives

A. Appropriate accounting records.

Accounting records were kept in an adequate manner, however there was one payment missed at the end of the financial year – this has been corrected in the accounts.

B. Financial regulations

Financial regulations and standing orders were adopted on 25/09/18

C. Risks

I could find no evidence that risks had been considered or assessed.

D. Precept

The Council did not appear to have a budget for 2018/19 but did hold discussions as to the amount required for the precept. Similarly discussions were held to determine the precept for 2019/20.

E. Income

The expected income from precept and grant were received direct to the bank account. There was no vat reclaim for previous years as no vat had been incurred.

F. Petty cash

The Council did not, and does not, operate a petty cash account. The acting clerk has been reimbursed for administrative expenses based upon receipts and information supplied.

G. Salaries

The clerk has been paid on an hourly rate during 2018/19 as agreed by the council. However Paye has not been deducted and paid direct to HMRC, this is now a requirement for clerks salaries.

H. Assets and investments

The council has no fixed assets, or long term investments. The only current asset the council has is it's current bank account for which there are complete bank statement.

I. Bank reconciliations

Bank reconciliations were carried out and were accurate

J. Year end accounts

Year end accounts were carried out by the new clerk. There was a minor error in addition in the cash book and this has been corrected.

K. Trust funds

The council does not hold any trust funds

Additional controls

The council is required to have a website under the governments transparency policy. This has now been set up which shows various financial and procedural documents.

Recommendations.

1. Full budgets should be compiled each year and performance against them be monitored by the Council.
2. The Council should consider risks to the operational and policy objectives of the council, and also the risks to the achievement of those objectives should be considered and documented in a risk schedule.
3. The Councils procedural and operational documents should be placed on the website :-
 - Standing orders
 - Financial regulations
 - Risk register

Kevin Lawrence Adams bsc

5th May 2019

