

Dogmersfield Parish Council Internal Audit Report 2018



2 May 2018 at 16:26:

(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 [a manual cashbook an Excel spreadsheet. 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 were subject to review by Council on 8th May 2017. A sample of bank payments was selected, in all cases it was possible to trace the original supporting voucher 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 subject to review by Council on 13th November 2017	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 budget at a meeting held on 12th December 2016 and the precept at a meeting held on 9th January 2017. Regular 'Financial Statement' reports have been subject to review by Full Council	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 other than in the form of precept and grants. The Council is not VAT registered and does not make VATable supplies.	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 operates a PAYE scheme. Payroll is processed using payroll software. No national insurance or PAYE has been due, or paid, 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 subject to review by in the Council in May 2017. No assets have been acquired or disposed of 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>	Regular bank reconciliations have been undertaken and have been subject to independent review. The year end bank reconciliation was reviewed and agreed. The Council should refer to the attached Internal Audit Observations	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 year end there are 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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Dogmersfield Parish Council
Year End Internal Audit Observations 2018



Audit visit date	Priority	Observation	Recommendation	Status	Comments
23 Apr 2018	H	It was noted that a significant transfer of £28,000 was made from one bank account of the Council to another. This was recorded by the Council as an item of expenditure (included in Box 6 of the Annual Return) and by increasing the value of assets in Box 9 of the return. Box 8 - cash and bank was also understated by this amount	The transfer of funds from one account to another is not an item of expenditure. Box 6 should not include this transaction, nor should Box 9. The balance reported in Box 8 should include all of the Council bank balances, whether in current or deposit accounts. The Council should amend the draft Annual Return numbers accordingly	Pending	