

INTERNAL AUDIT REPORT
ANTROBUS PARISH COUNCIL
2015/16

The internal audit of Antrobus Parish Council was carried out by undertaking the following tests as specified on the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

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JDH Business Services Limited

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The annual return is incorrect:</p> <p>1.) There is £350 addition error. The annual return casts to £30045 whereas the total included in box 7. Is £30395. The error lies in receipts which in the annual return case to £16935, but in the bank reconciliation and cash book receipts cast to £17284.57.</p> <p>2.) Fixed assets in box 9, for 2014/15 and 2015/16 have been disclosed with a dash indicating they are zero. This is not the case and fixed assets were £52905 in 2014/15.</p>	<p><i>The council should correct the errors on the annual return before we can certify it.</i></p>	
2	<p>The clerk was incorrectly awarded a three scale point increase after gaining the CILCA qualification in June 2014. Adjustments to salary have occurred to rectify this error to ensure the salary increase was limited to one scale point as specified by the contract of employment.</p>	<p><i>The Council should ensure authorised pay rises agree to the conditions in the contract of employment. In future the actual scale point approved as salary for the financial year should be approved in the minutes</i></p>	