

**INTERNAL AUDIT REPORT
ANTROBUS PARISH COUNCIL
2019/20**


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	The updated model Financial Regulations refer in section 10.) to a Purchase Order (PO) system. However, no PO system is currently in place.	<i>If the Purchase Order section of the FRs is an accepted requirement by council, then the council should establish a sequential Purchase Order system as required by the updated model Financial Regulations.</i>	
2	The council has included staff expenses in the staff costs category in the annual return. The updated Practitioners Guide is now clear that staff expenses which are not benefits in kind should not be included in Staff Costs in the AGAR annual return.	<i>The staff costs figure should be amended to reflect the latest Practitioners Guide, and the 2018/19 figure restated with the RESTATED written.</i>	
2018/19 internal audit			
1	The 2018/19 fixed asset register was not provided with the books and records for internal audit. The 2017/18 register has been provided and the variance analysis shows that the explanation for the reduction in fixed assets in 2018/19 is due to the transfer of assets to a separate group in August 2019. However, the 2018/19 fixed asset value should show the status of	<i>The council should complete a 2018/19 fixed asset register and ensure any transfers of fixed assets after March 31st 2019 are excluded. The final fixed asset value as at 31/3/19 should then be shown on the 2018/19 AGAR annual return.</i>	Implemented