

Great Milton Parish Council – Internal Audit Report (16-17)

In this report I will review whether the Council's internal controls are effective in managing its activities and operating procedures. The objective is to provide an assurance report to improve effectiveness and efficiency of the activities and operating procedures under the council's control.

I will now review the ten key control tests listed in the Annual Internal Audit Plan.

Proper bookkeeping:

The cash book is up to date with all items of income and expenditure listed. Full reconciliation has been done against bank statements.

Standing orders and financial regulations adopted and applied:

The council has formally adopted standing orders and financial regulations. A responsible Finance Officer has been appointed with specific duties which are detailed in the employee's contract of employment.

Payments in the cash book are supported by invoices and have been authorized by an approved signatory.

Risk Management arrangements:

The insurance cover is appropriate and adequate for purpose. The terms of the insurance policy have been detailed in the shared electronic files.

The internal financial controls are reviewed on an annual basis.

Budgetary controls:

The council has prepared an annual budget in support of its precept. Actual expenditure against the budget is monitored and reported to the council on a quarterly basis.

All significant variances from the budget have been explained and justified by the Finance Officer.

Income controls:

Income is properly recorded and promptly banked.

Payroll controls:

The Finance Officer is the Council's sole paid employee and has a contract of employment with clear terms and conditions. The salary paid to the Finance Officer does agree with the amounts agreed and approved by the Council. There are no other payments made to employees.

Both PAYE and NIC have been properly operated by the Council. This has been fully documented in the electronic files and has been tested.

Asset Controls:

The council has a register of all material assets owned or in its care. This is held within the electronic files held. The asset register is updated on a regular basis. The asset insurance valuations agree with those in the asset register. This has been documented in files.

Bank Reconciliation:

The Council has a bank reconciliation for both current account with Lloyds and for its savings account with Santander. The bank reconciliation is carried out on a periodic basis and in a timely fashion. All reconciliations have been carried out in a timely fashion. There are no unexplained balancing entries in any of the reconciliations. All outstanding lodgements and unpresented cheques have been detailed effectively.

Year end procedures:

Year-end accounts have been prepared on a receipts and payments basis in line with Parish Council regulations. The accounts do agree with the cashbook and a full reconciliation has been provided to demonstrate this. There is a full audit trail from the underlying financial records to the accounts. The council does not have any major debtors or creditors outstanding but any income or expenditure due has been accounted for properly.

Summary

Continuing on from last financial year the Council's systems of financial and other controls are still effective in managing its activities and operating procedures. There are good internal controls in place and the Council is using its resources efficiently, effectively and economically to provide its service.

Matthew Hale
Internal Auditor
18/06/17.