

Clubfinance Ltd

Annual Internal Audit Report

for

Nash Mills Parish Council

**for the financial year ended
31st March 2017**

Auditor: Rachel Aldridge-Jones

Internal Audit Date: 13 April 2017

Report Date: 8 May 2017

Financial Year: 2016/17



Annual internal audit report 2016/17 to

Enter name of smaller authority here:

Nash Mills Parish Council

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31st March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective

- A Appropriate accounting records have been kept properly throughout the year.
- B This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
- C This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
- D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
- 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.
- G 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.
- H Asset and investments registers were complete and accurate and properly maintained.
- 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 (For local councils only)
Trust funds (including charitable) - The council met its responsibilities as a trustee.

Agreed? Please choose only one of the following		
Yes	No*	Not covered**
Yes		
Yes		
Yes		
Yes		
Yes		
Yes		
Yes		
Yes		
Yes		
Yes		
Yes	No	Not applicable
		Not applicable

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

IT system controls to cover data security and integrity	Yes	No	Not covered
	Yes		

Name of person who carried out the internal audit Clubfinance Ltd

Signature of person who carried out the internal audit *P.K. Rhoden* Date 8 May 2017

Philip Rhoden, Director, for & on behalf of Clubfinance Ltd

*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, internal audit must explain why not (add separate sheets if needed).

Schedule of Recommendations

Client: Nash Mills Parish Council

Y/E: 31st March 2017

Control	Recommendation(s)
1 Proper Bookkeeping.	None.
2 Standing Orders and Financial Regulations adopted and applied; and Payments controls.	The sample of payments examined as part of the internal audit included a small number of receipts for small purchases where the VAT was not reclaimed. Although only a potential very small saving for the Council, I recommend that the clerk continues to be vigilant in identifying VAT that can be reclaimed. A new system for making online payments with robust authorisation controls was introduced in the year following, I understand, considerable research by the Council. As appropriate for any new system, I recommend that as part of the next review of Financial Regulations, the existing content on online payments is given extra focus, including reference to relevant sections of the NALC Model Financial Regulations.
3 Risk management arrangements.	I understand that the annual review of the effectiveness of the system of internal control for the year-ending 31st March 2017 was completed at the April 2017 full council meeting, because the March 2017 full council meeting was cancelled. I recommend that it is good practice to complete the review, as was intended, before the end of the relevant financial year.
4 Budgetary controls.	None.
5 Income controls.	None.
6 Petty Cash Procedures.	None.
7 Payroll Controls.	None.
8 Assets Controls.	None.
9 Bank reconciliation.	None.
10 Year-end procedures.	None.
11 IT Controls.	None.
12 Responsibility as a trustee.	None.