

Clubfinance Ltd

Annual Internal Audit Report

for

Nash Mills Parish Council

**for the financial year ended
31st March 2016**

Auditor: Rachel Aldridge-Jones
Internal Audit Date: 21 April 2016
Report Date: 3 May 2016
Financial Year: 2015/16



Annual internal audit report 2015/16 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 2016.

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 from one of the following		
Yes	No*	Not covered**
Yes		
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: 3 May 2016

Phillip 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 2016

	Control	Recommendation(s)
1	Proper Bookkeeping.	None.
2	Standing Orders and Financial Regulations adopted and applied; and Payments controls.	I recommend that the clerk contacts Dacorum Borough Council to confirm their arrangements to provide the VAT receipts/invoice(s) in relation to monthly garage rentals to ensure these are consistently provided to support the Council's VAT claims (my understanding is that DBC are obliged to provide these, at least on request).
3	Risk management arrangements.	None.
4	Budgetary controls.	I recommend that calculations of year-to-date budget figures used in the monthly reports of expenditure against budget are checked to ensure they are correctly calculated and in 'month 12' will therefore match the budget figures for the year.
5	Income controls.	None.
6	Petty Cash Procedures.	I recommend that petty cash be re-imbursed sufficiently regularly to avoid the petty cash becoming depleted and the clerk then being required to personally finance petty cash purchases.
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.