

Etaerio Ltd

Annual Internal Audit Report

for

Nash Mills Parish Council

**for the financial year ended
31 March 2018**

Auditor: Philip Rhoden
Internal Audit Date: 9 May 2018
Report Date: 14 May 2018
Financial Year: 2017/18

Etaerio Ltd

Annual internal audit report 2017/18

Nash Mills Parish Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this 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 authority.

Internal control objective

- A. Appropriate accounting records have been properly kept throughout the financial year.
- B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
- C. This 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 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 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		

Date(s) internal audit undertaken

Name of person who carried out the internal audit

Signature of person who carried out the internal audit

Date

Philip Rhoden, Director, for & on behalf of Etaerio 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: 31 March 2018

	Control	Recommendation(s)
1	Proper Bookkeeping.	None.
2	Standing Orders and Financial Regulations adopted and applied; and Payments controls.	None.
3	Risk management arrangements.	None.
4	Budgetary controls.	None.
5	Income controls.	None.
6	Petty Cash Procedures.	I recommend that as the petty cash was depleted as at the end of the financial year, the operation of petty cash be considered by the council, including for example whether to increase the float and/or the frequency of top-ups.
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.