

Yaxley Parish Council

Internal Audit 2017-18

Draft Summary of work carried out, conclusions and recommendations

Internal control objective	Work carried out	Conclusions	Recommendations
<p>A Appropriate accounting records have been kept properly throughout the year.</p>	<p>We have reviewed the accounting system and have checked that information is recorded accurately and promptly.</p>	<p>The accounting records have been kept properly during the year.</p>	<p>None – the system is working as required.</p> <p><i>Council Response:</i></p>
<p>B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</p>	<p>We have tested the supporting documents to the transactions and we have checked the treatment of VAT.</p>	<p>The Financial Regulations are being followed and there is adequate evidence for expenditure. VAT is treated correctly.</p>	<p>None - the system is working as required.</p> <p><i>Council Response:</i></p>
<p>C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>We have reviewed the Risk Register and given consideration as to whether all significant risk have been identified, correctly assessed and appropriate actions taken to mitigate the risk.</p>	<p>The Risk Register appears comprehensive covering all areas of activity for the Council. Risks have been adequately assessed and those deemed significant have been actioned during the year.</p>	<p>New requirements under GDPR have brought new risks to the attention of the Council. Whilst significant work has already been undertaken in respect of GDPR, the Council should remain mindful of additional risks that may come to light in the future.</p> <p><i>Council Response:</i></p>

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<p>D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>We have examined the budgetary process and we have reviewed the management accounts for actual and budgeted figures. We have considered the level of reserves.</p>	<p>There are reasonable explanations for the variances between actual and budget. We consider that the level of reserves is reasonable for a Council of this size.</p>	<p>None – the budgetary process is thorough and adequate.</p> <p><i>Council Response:</i></p>
<p>E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</p>	<p>We have compared the level of income to previous years and the budget. We have discussed with the officers of the Council the processes for recording and collecting income and we have tested this to the financial records.</p>	<p>We consider that the internal control objectives have been achieved.</p>	<p>None – the system is working adequately.</p> <p><i>Council Response:</i></p>
<p>F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</p>	<p>There are very few petty cash payments in the year. We reviewed the records and verified that an appropriate system is being operated and VAT correctly claimed where possible.</p>	<p>The level of petty cash held is minimal. There is no requirement to keep a large amount of cash on a permanent basis.</p>	<p>None – the system is working satisfactorily.</p> <p><i>Council Response:</i></p>
<p>G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.</p>	<p>We tested the payroll for correct deductions and pension contributions, and have considered variances on gross salaries. We also tested that the payments of net salaries and deductions were made by the required dates.</p>	<p>Payroll is operated in a satisfactory manner.</p>	<p>None – the system is working satisfactorily.</p> <p><i>Council Response:</i></p>

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<p>H Asset and investments registers were complete and accurate and properly maintained.</p>	<p>We have reviewed the asset register and given considerations to additions and disposals during the year.</p>	<p>The asset register appears comprehensive and has been properly maintained. Movements in the year have been reconciled to additions and disposals made.</p>	<p>None – the asset register is being properly maintained.</p> <p><i>Council Response:</i></p>
<p>I Periodic and year-end bank account reconciliations were properly carried out.</p>	<p>We tested a selection of bank reconciliations throughout the year and have found no issues. Reconciliations are presented to each meeting of the full Council.</p>	<p>Bank reconciliations are properly prepared.</p>	<p>None – the system is working as required.</p> <p><i>Council Response:</i></p>
<p>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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.</p>	<p>We have reviewed the accounting statements prepared during the year to ensure they have been prepared correctly on an income and expenditure basis, and are adequately supported.</p>	<p>Accounting statements have been prepared on an income and expenditure basis. We are satisfied that there is an adequate audit trail from the accounting records to the accounting statements and to the Annual Return. We have checked that debtors and creditors are appropriate to the activities of the Council.</p>	<p>We note that the accrual of £7,287.02 relating to Local Government Pension Scheme contributions for 2014 remains unpaid from prior years. Although the Council has followed up on the matter during the year they may need to do so again should the LGPS fail to respond. Employees' retirement pensions could be impaired if these contributions are not paid</p> <p><i>Council Response:</i></p>

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<p>K Trust funds (including charitable). The council met its responsibilities as a trustee.</p>	<p>We have discussed with the Clerk and the Accounting Officer, the status of these charities.</p>	<p>The Council is carrying out its duties as a Trustee. They charities continue to fall below the de-minimis threshold at which they can be re-registered with the Charity Commission.</p>	<p>None – the Council is acting in the appropriate manner.</p> <p><i>Council Response:</i></p>