

Annual Internal Audit Report 2019/20

AXMOUTH 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 2020.

The internal audit for 2019/20 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	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
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. If the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")	✓		
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

03/07/2020 to 06/07/2020

Name of person who carried out the internal audit

TRUDIE JENKINS

Signature of person who carried out the internal audit



Date

06/07/2020

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

AXMOUTH PARISH COUNCIL
INTERNAL AUDIT REPORT 2019/2020

I have carried out an internal audit of the Council's financial books and records for the year ended 31st March 2020 and have found no material errors, the financial transactions of the Council are accurately recorded, and high standards of internal control are maintained. This internal audit has been carried out in line with proper practice set out in the Governance and Accountability for Smaller Authorities in England (the Practitioner's Guide).

Items highlighted in bold below are my recommendations resulting from this audit.

Accounting statements are prepared on a receipts and payments basis which is appropriate and are fully supported by the underlying records. I have sampled a selection of financial transactions and I can confirm that expenditure was approved, payments were supported by invoices and VAT was properly accounted for and reclaimed. All income received was properly recorded and banked.

The Parish Council complies with its financial regulations and the Council's Standing Orders are up to date and reviewed annually or as required.

The Council assesses significant risks in line with Financial Regulations and reviews its insurance annually.

The Council maintains a register of Risks which is kept under regular review.

The level of precept was set after an appropriate budgetary process was completed, the council monitors its progress against this budget on a regular basis.

The council does not operate a petty cash system all receipts and payments are processed via the Council's bank account.

Salaries and any increase in salaries were approved and PAYE & NI requirements were properly applied and accounted for.

The VAT on the playground basket swing purchased in 2018 has yet to be claimed. Recommend that clerk makes a separate VAT claim for this item. VAT to be reclaimed is £848.80.

In my opinion, the Council's financial procedures and controls are accurate and efficient.

This report was prepared by:



Mrs Trudie Jenkins

Blue Chip Accounts