

The Lee Parish Council Internal Audit Report 2018



29 May 2018 at 17:23:

(to be read in conjunction with the attached Internal Audit Observations)

	Internal Control Objective	Observation	Internal Audit Response
A	<i>Appropriate accounting records have been kept properly throughout the year.</i>	The Council maintains its accounts using an Excel spreadsheet which is a common form of accounting for Councils of this size. The records reviewed were found to be well maintained	Yes
B	<i>This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	The Council has in place a set of Financial Regulations which were subject to review by Council on 14th November 2017. A sample of bank payments was selected, in all cases it was possible to trace the original supporting vouchers which had been appropriately approved. The Council should refer to the attached Internal Audit Observations	Yes
C	<i>This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	The Council maintains a Risk Register which was subject to review by Council on 9th January 2018	Yes
D	<i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	The Council set the precept at a meeting held on 10th January 2017. The Council should refer to the attached Internal Audit Observations	Yes

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E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	The Council receives a limited amount of income other than in the form of precept and allotment income. The Council is not VAT registered and does not make VATable supplies. The Council should refer to the attached Internal Audit Observations	Yes
F	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	The Council does not maintain a petty cash	N/A
G	<i>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.</i>	The Council operates a PAYE scheme. Payroll is processed using an external payroll agency. Regular payments of tax and national insurance have been made to HMRC.	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council maintains an asset register which was subject to review by Council on 13th March 2018	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	Regular bank reconciliations have been undertaken and have been subject to independent review. The year end bank reconciliation was reviewed and agreed	Yes

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J	<i>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.</i>	The Council reports on a Receipts and Payments basis. Consequently at year end there are no Debtors or Creditors recorded.	Yes
K	<i>Trust funds (including charitable) – The council met its responsibilities as a trustee.</i>	The Council does not act as Trustee	N/A

Kevin Rose ACMA
IAC Audit & Consultancy Ltd
29 May 2018