

# INTERNAL AUDIT REPORT 2016-17

## DIDDLEBURY PARISH COUNCIL

### 1 INTRODUCTION

The following audit areas were examined:

Accounting Records; Bank Reconciliations; Receipts, Payments; Council Policies; Insurance; Risk Assessment; Payroll; General Administration & Council Minutes, Council's Internal Control arrangements and the Annual Return's Compilation.

These meet the internal control objectives as listed within the Parish Council's Annual Return.

### 2 OVERALL

**The standard of administration and system of internal controls relating to the audit areas examined was considered to be of a high standard.**

**Having completed a comprehensive examination of Council records presented to me I have completed page 5 of the Annual Return (AR) positively. The audit work undertaken supports that the Council's financial affairs are properly conducted and free from miss statement.**

### 3 DETAILED FINDINGS & RECOMMENDATIONS

The following outlines the areas covered during the internal audit which support the above statement; areas of concern are highlighted.

A Appropriate books of account have been properly kept throughout the year.

The primary accounts record examined (i.e. the manual ledger) was recast and found to be accurate, providing an excellent audit trail to both minutes, cheques, and deposits.

B The Council's financial regulations imbedded in their standing orders have been met, payments were supported by invoices/vouchers, and expenditure was approved.

Total payments for the year £7,824.

A sample of 20 individual payments were examined and agreed to the bank statements, financial accounts, cheque book stubs and Council minutes. No issues arose.

Several Clerk's expense reimbursements were checked and found to be accurate. Mileage is currently claimed based on 30p/mile; the basic rate recognized by HMRC is currently 45p/mile where no benefit applies.

Council authorisation supporting each payment was easily traced in the minutes and is evidenced by two councillors initialing/the supporting invoices/documents; a grid stamp is used this is commended and demonstrates good management control by councillors.

C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Clerk presented a strategic and operational risk assessment in February 2017 which was adopted by Council whilst there was evidence which supported that the internal controls of the Council were sound.