

Myddle and Broughton Parish Council
Internal Audit Report year ended 31st March 2014.

I have undertaken the internal audit and report under the control objectives of Section 4 of the Audit Commission's Annual Return.

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

The receipts and payments analysis book was properly kept. Total amounts of receipts and payments were agreed to the annual accounts. All cheques were recorded and accounted for.

- B. The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Payments were supported by invoices and approved at each council meeting. VAT was separated in the receipts and payments analysis book.

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

The Risk Assessment Documentation covers management, administration and locations for which the council is responsible and was reviewed by the council.

- D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate.

The proposed Annual Budget was considered by the council in deciding the annual precept requirement. Cumulative expenditure is reported against budget heads supplemented by mid year and year end reports.

- E. Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for.

Income consisted of Precept, VAT reclaim, County Council grants, bank interest only. It is properly recorded in the receipts and payments analysis book and banked promptly. No VAT is involved except for the annual reclaim.

- F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

Petty cash payments are claimed by the Clerk through his bi monthly return. VAT is properly accounted for. No cash is held or an imprest account used.

- G. Salaries to employees and allowances to members were paid in accordance with council approvals and PAYE & NI requirements were properly applied.

The Clerk/RFO was paid in accordance with national pay scales and approved annually by the council. PAYE was correctly deducted and remitted to HMRC NI payments were not due for the Clerk/RFO and the Play Area Worker. Allowances are not payable to members.

- H. Asset and investments registers were complete and accurate and properly maintained.

The council's assets are listed in the supporting statement to the annual accounts, which was checked against the council's insurance policy.

- I. Periodic and year end bank account reconciliations are carried out.

A report on bank accounts movements is made to every council meeting, with an end of year reconciliation statement. The annual financial year end accounts also reconciled bank accounts with receipts and payments.

- J. Accounting statements prepared during the year were prepared on the correct accounting bases (receipts and payments or income and expenditure) agreed with the cash book, were supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Accounts were prepared on a receipts and payments basis with an adjustment for VAT reclaim being paid in the next financial year and agreed with the cash book. There was a good audit trail. Debtors and creditors were not applicable.

- K. Trust funds (including charitable). The council has met its responsibilities as a trustee.

The council is not responsible for any trust funds.

17th June 2014.

M.J. Sheehy ACMA
Internal Auditor