

Annual internal audit report 2016/17 to

Enter name of
smaller authority here:

LAXTON AND MOORHOUSE PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This smaller 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.	NO PETTY		CASH ✓
G. 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.	✓		
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.	✓ R & P		

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

SEE ATTACHED

Name of person who carried out the internal audit NEIL BUTLER

Signature of person who carried out the internal audit *Neil Butler* Date 15/06/2017

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

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Implications and action taken to address weaknesses in control.

Please refer to general comments under "Explanation of "NO" responses - Section 1 of the Annual Governance statement:

The following refer to specific shortcomings in internal control identified during the course of the internal audit.

Line B: Whilst the Parish Council expenditure was generally supported by approved invoices there was no evidence that bank statement balances were signed by the Chairman and reconciled to the cash book on a regular basis. No accounts scrutineer had been appointed.

Line C: The council had not prepared a Risk Assessment required in order to identify and minimize the risks of failing to achieve its objectives.

Line D: No adequate budget had been prepared in order to assess the ongoing financial performance of the council and to carry out the annual precept procedure.

Following the appointment of a new clerk to the council in September 2016 the internal controls have been improved and the above shortcomings rectified without identifiable loss to the council.



N Butler

Internal Auditor – Laxton and Moorhouse Parish Council

15/06/2017 .