

The Lee Parish Council Internal Audit Report 2019



16 July 2019 at 12:04:

(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>	<i>The Council maintains its accounts using an electronic cashbook. The method of record keeping is appropriate for a council of this size. The accounting records reviewed were well maintained.</i>	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>	<i>The Council maintains a formal set of Financial Regulations which were reviewed and approved at a meeting held on 8 January 2019. A sample of bank transactions was checked and verified to source documents. VAT was correctly accounted for.</i>	Yes
C	<i>This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	<i>The Council undertook a review of Risk at a meeting held on 12 March 2019.</i>	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>	<i>The Council approved the budget for the year at a meeting held on 9 January 2018. Regular budget reports have been submitted to the Finance Committee</i>	Yes
E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	<i>The Council receives little income other than in the form of precept and grants. The Council is not VAT registered and does not make VATable supplies. The Council should refer to the attached Internal Audit Observations.</i>	Yes

F	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	<i>The Council does not maintain a petty cash</i>	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>	<i>The Council operates a PAYE scheme. Payroll is processed using an external payroll agency. Deductions have been properly paid over to HMRC. The Council should refer to the attached Internal Audit Observations.</i>	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	<i>The Council maintains a register of assets which has been subject to review by Council. The Council has updated the the asset register with Assets purchased / disposed of during the year.</i>	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	<i>Bank reconciliations have been carried out regularly and in a timely fashion and have been subject to independent review. The year end bank reconciliation was reviewed and agreed to supporting bank statements</i>	Yes
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>	<i>The Council reports on a Receipts and Payments basis, consequently at year end there were no debtors or creditors recorded.</i>	Yes
K	<i>IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt.</i>	<i>The Council did not certify itself as exempt</i>	N/A
L	<i>During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.</i>	<i>Not applicable for 2019 audit</i>	N/A

M	<i>Trust funds (including charitable) – The council met its responsibilities as a trustee.</i>	<i>The Council does not act as Trustee</i>	N/A
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Tuesday, July 16, 2019