INTERNAL AUDIT REPORT
ACTON, EDLESTON, HENHULL PARISH COUNCIL
2016/17

The internal audit of Acton, Edleston, Henhull Parish Council was carried out by undertaking the following tests as specified by the Audit Commission on Section 4 of the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

Conclusion
On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

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JDH Business Services Limited

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	The year end bank reconciliation was 20p out of balance. The TSB Flexible Savings account figure in the bank reconciliation of £503.13 could not be agree to the balance in the TSB book as this only shows the balance in 2014 of£502.63.	*Bank reconciliations should be balanced to the penny* *Up to date statements should be provided to evidence all balances in the year end bank reconciliation* ***NB Please note the current cheque books should not be provided for audit - we do not require them***	
2	No budgetary control information was provided with the books for audit. There was no evidence of regular budgetary control information being presented to council in the minutes.	*Budgetary control information should be presented to council regularly. The year end budgetary outturn statement should also show a split of year end balances between earmarked reserves and general reserves to evidence that reserves are not excessive*	
3	A defibrillator was paid for during the year but this has not yet been installed.	*The defibrillator should be included in the asset register as an addition in 2017/18 at cost*	