

## COTTINGHAM PARISH COUNCIL INTERNAL AUDIT REPORT FOR YEAR ENDED 31ST MARCH 2016

TEST	RESULT
<p>A Appropriate books of account have been properly kept throughout the year</p>	<p>All receipts and payments were found to be properly recorded and a balanced set of books provided to audit.</p>
<p>B The Council's Financial Regulations have been met, payments were supported by invoices, expenditure was approved and VAT was properly accounted for</p>	<p>All payments in the test sample were authorised by the council, cheque counterfoils endorsed by signatories.</p> <p>An effective control mechanism is in place when;</p> <ul style="list-style-type: none"> <li>a. Responsibility for checking of invoices is clearly identified</li> <li>b. Expenditure account coding is clear.</li> <li>c. All payments are approved by council and cheques signed by two authorised council members</li> <li>d. VAT is properly accounted for.</li> </ul>
<p>C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of these.</p>	<p>The council is expected to have taken steps to identify and mitigate risks associated with users of the Council's services, members of the public or employees</p> <p>Risks associated with service provision have been identified and assessments are in place and progressive review has taken place during the year under review.</p> <p>Evaluation of Insurance cover confirmed that the council has adequate cover for statutory risks.</p> <p>Fidelity Guarantee cover is satisfactory and council members are included.</p>

<p>D The Annual Precept requirement resulted from an adequate budgetary process; progress against budget was regularly monitored; and reserves were appropriate.</p>	<p>A detailed budget/recommendation is prepared by the clerk and submitted to the Finance &amp; Asset Management Committee for review. The Committee recommendation is subsequently submitted to council for acceptance and approval.</p> <p>Regular reports on progress are submitted to Policy Committee.</p> <p>Town Council Reserves, held at 31st March 2016 totalled £241,725 which equates to about 201 % of the annual precept, appear satisfactory.</p> <p>Of the total £52,551 has been earmarked for particular service/projects.</p>						
<p>E Expected Income was fully received, based on correct prices, properly recorded and banked; and VAT was appropriately account for.</p>	<p>Satisfactory checks have been completed in respect of all income received.</p> <p>All charges are reviewed as part of the budget process.</p> <p>Checks carried out on the banking process proved satisfactory when all income due to the council has been correctly banked with no undue delay.</p> <p>VAT was properly accounted for in the test sample when just one minor error was found. Reconciliation is included in the working papers.</p> <p>The recording and recovery process is satisfactory.</p>						
<p>F Petty Cash payments were properly supported by receipts, expenditure was approved and VAT accounted for.</p>	<p>The petty cash record was checked in detail for the months of October to March when no errors were detected. The test sample established that all payments were properly supported by receipts and vat was properly accounted for.</p> <table data-bbox="1228 739 1308 1433"> <tr> <td><b>Matters Arising</b></td> <td>PC 1174</td> <td>£25.59 omitted from PC record</td> </tr> <tr> <td></td> <td>PC 1175</td> <td>£ 8.00 omitted from PC record</td> </tr> </table>	<b>Matters Arising</b>	PC 1174	£25.59 omitted from PC record		PC 1175	£ 8.00 omitted from PC record
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<p>G Salaries to employees and allowances were paid in accordance with council approvals, and PAYE and NI requirements properly applied.</p>	<p>Test checks over several months verified the accuracy of wages paid and confirmed payments in respect of statutory deductions.</p> <p>The checks carried out demonstrated that all salary payments were properly authorised and were those determined and authorised by the council.</p>
<p>H Asset and investment registers were complete and accurate and properly carried out.</p>	<p>A copy of the council's completed asset register has been submitted to audit.. The document, maintained by the clerk, and approved by Finance Committee/Council recorded no acquisitions or disposals during the year under review..</p>
<p>I Periodic and year-end bank account reconciliations were properly carried out.</p>	<p>Reconciliation is carried out monthly and an independent year- end reconciliation accompanies this report. Review established that reconciliation was properly completed and balanced to bank statements.</p>
<p>J Year-end accounts were prepared on the correct accounting basis (receipts &amp; payments/income &amp; expenditure, agreed with the cashbook, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.</p>	<p>The accounts are prepared on a Receipts and payments basis and an adequate audit trail exists to source documentation.</p> <p>Debtors and Creditors are not required for this format.</p>
<p>K The council has met its responsibilities as a trustee</p>	<p>Not applicable - No such trust funds are the responsibility of the council</p>
<p>L Annual Return</p>	<p>The entries in the Return accurately summarise the financial activity of the council for the year under review.</p>
<p>M Council Minutes</p>	<p>The general review of council minutes was satisfactory.</p>

<p>N Audit Independence</p>	<p>The internal auditor has no relationship, financial or otherwise with any member or officer of the council and the audit has been carried out with integrity, objectivity and independence.</p>
<p>O Summary</p>	<p>The accounts of the council continue to be maintained to a high standard and no significant matters arise that need be drawn to the attention of the council at this time.</p>

Alan Johnson  
17th April 2016