

**Internal Audit Report
Great Coxwell Parish Council
Oxfordshire.**

**Internal Audit Final Report
2017-18**

10th May 2018

This document remains the intellectual property of Arrow Accounting and may not be copied, or used without their prior written approval Use of any material within this document must be accredited to Arrow Accounting .



Report Index

- 1. Introduction**
- 2. Scope of the Internal Audit.**
- 3. Findings, recommendations and action plan.**
- 4. Internal Auditors summary report.**

Introduction

An internal audit review of Great Coxwell Parish Council's Financial controls for 2017/18 has been undertaken by Arrow Accounting. The work covered was a key control review of the systems in place for ensuring an adequate level of Governance and Financial control. Previous recommendations were followed-up.



Scope of the Internal Audit

The review included the following:-

- o Bookkeeping Arrangements.
- o Payments in relation to Financial Regulations.
- o Review of Internal Controls.
- o Budgetary Controls.
- o Expected Income fully received and properly recorded.
- o Petty Cash levels and payments supported and approved.
- o Payroll Controls, salaries & fees.
- o Asset Controls.
- o Bank Reconciliations.
- o Accounting Statements.
- o Trust Funds (If applicable).
- o Review and completeness of audit action plans.
- o Review of External Audit recommendations made in the previous year.
- o Review of Section 1 of the Annual Return and the Financial Statements.
- o Auditors Summary.



Findings, recommendations and action plan

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bookkeeping Arrangements	A	Appropriate books of account have been properly kept throughout the year. Well maintained with sound audit trails.	None	N/A
Councils Financial Regulations have been met in regard to expenditure.	B	The Councils Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.	None	N/A
		Payments were supported by Invoices, expenditure was approved and VAT was appropriately accounted for.	None	N/a
Review of Internal Controls.	C	The Council has assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	None	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Budgetary Controls (Precept requirement)	D	The Annual precept requirement resulted from an adequate budgetary process.	None	N/A
Budgetary Controls (Budget monitoring)		Progress against the Budget was regularly monitored.	None	N/A
The final Outturn is in line with expectations.		The final Outturn was materially in line with expectations.	None	N/A
Income controls	E	Expected Income was fully received and properly recorded.	None	N/A
Petty cash controls	F	Petty cash was not operated by the Council.	None	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Payroll controls	G	Salaries to employees and allowances to members were paid in accordance with council approvals. PAYE and NI requirements were properly applied.	None	N/A
Asset Controls	H	The Asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.	None	N/A
Asset Controls	H	Additions in the year have been correctly recorded within the Cash Book and Register	None	N/A
Asset Controls	H	All appropriate Deeds and Titles have not been established and shown on the Register.	Recommend that the ownership of the Village hall Land is established.	

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bank Reconciliations	I	Periodic and year-end bank account reconciliations were properly carried out.	Recommend that any discrepancies between the Bank Reconciliation and the Annual Return are corrected before signing off both.	
Accounting Statements	J	Correct accounting basis used and reconciled to the Cash Book.	None	N/A
Trust Funds (If applicable)	K	The Parish Council does operate as a Trustee for any external body.	None – Charity Number 300155	N/A

Process	Criteria	Findings	Recommendations	Action Planned
Review of Internal audit action plan has been considered and actioned?	Good Practice	All of the recommendations made in the previous year 2016/17 have been actioned.	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
<p>External Audit recommendations have been considered and actioned.</p> <p>Qualifications made, if any have been addressed in 2017/18.</p>	<p>Good Practice</p>	<p>Recommendations made in the previous year 2016/17.</p> <p>Matters arising concerned the Financial Statements not being signed and the appropriate minute reference not recorded on the Annual Return.</p> <p>There were no qualifications to address.</p>	<p>Recommend that this is completed in 2017/18.</p> <p>None</p>	<p>N/A</p>

Process	Criteria	Findings	Recommendations	Action Planned
Accounting Statements agreed and reconciled to the Annual Return	Section 1 of the Annual Return Part 1 of the Annual return is complete and accurate and reconciles to the statement of accounts.	The accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be.	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
Compliance with the Transparency Act.	1) Expenditure over £100 is recorded on the Council Web-Site and with all information requirements.	Compliant	None	N/A
Good Governance only.	2) Annual Return published on the Web-Site.	Compliant	None	N/A
	3) Explanation of significant variances.	Compliant	None	N/A
	4) Explanation of difference between Box 7 & 8 if applicable.	Not Applicable	None	N/A
	5) Annual Governance Statement recorded.	Compliant	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
Compliance with the Transparency Act. (Contd)	1) Internal Audit Report Published.	Compliant	None	N/A
	2) A List of Councillors responsibilities.	Compliant	None	N/A
	3) Details of Public Land and Building Assets.	Not applicable as yet.	Establish Ownership of the Village Hall Land.	
	4) Minutes & Agendas	Compliant	None	N/A

Internal Auditors Summary Report

Great Coxwell Parish Council has an electorate in the region of 157 and the precept for 2017/18 was set at £7,225.

Overall, the Council has sound arrangements in place to satisfy itself that its systems of internal financial control are both adequate and effective. There are approval and authorisation controls and there is a clear audit and management trail for financial transactions.

Phil Hood
Arrow Accounting
(Internal Audit)
10th May 2018

