

**Internal Audit Report
Adderbury Parish Council
Oxfordshire.**

**Internal Audit Final Report
2018-19**

2nd January 2019

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Introduction

An internal audit review of Adderbury Parish Council's Financial controls for 2018/19 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 Compliance with the Transparency Act.
- 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 considered to be of an appropriate level with receipts and subsequent authorisations in evidence.	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 been established and shown on the Register.	Recommend that all Title/Deed references are shown on the Asset Register.	

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bank Reconciliations	I	Periodic and year-end bank account reconciliations were properly carried out.	None	N/A
Accounting Statements	J	Correct accounting basis used and reconciled to the Cash Book. Receipts & Payments	None	N/A
Trust Funds (If applicable)	K	The Parish Council does operate as a Trustee for any external body.	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
Review of Internal audit action plan has been considered and actioned?	Good Practice	Recommendations were made in the previous year 2017/18.	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
<p data-bbox="54 362 397 529">External Audit recommendations have been considered and actioned.</p> <p data-bbox="54 808 378 975">Qualifications made, if any have been addressed in 2018/19.</p>	<p data-bbox="434 362 658 396">Good Practice</p>	<p data-bbox="699 362 1141 486">No recommendations made in the previous year 2017/18.</p> <p data-bbox="699 808 1141 886">There were no qualifications to address.</p>	<p data-bbox="1340 362 1425 396">None</p> <p data-bbox="1340 808 1425 842">None</p>	<p data-bbox="1717 362 1783 396">N/A</p> <p data-bbox="1717 808 1783 842">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.	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
	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.	Compliant	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.	Compliant	None	N/A
	4) Minutes & Agendas	Compliant	None	N/A

Internal Auditors Summary Report

Adderbury Parish Council has an electorate in the region of 2500 and the precept for 2018/19 was set at £47,007.

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)
2nd January 2019**

