

# Annual Internal Audit Report 2019/20

## LODDON PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		✓	} SEE SHEET
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.		✓	
J. 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.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

30/4/2020

6/5/2020

6/5/2020

CATHERINE MOORE

Signature of person who carried out the internal audit

CEMOORE

Date

6/5/2020

\*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

**ADDENDUM TO THE ANNUAL INTERNAL AUDIT REPORT 2019/20  
LODDON PARISH COUNCIL**

This Addendum accompanies Page 3 of the Annual Governance Annual Return 2019/20.

*Item F: Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.*

The Council had been using cash receipts to make minor purchases without any audit trail or recording as such. £3.18 of petty cash was missing and written off in Quarter 4 of the financial year. In February the Council introduced a new method of recording petty cash against an imprest account and I am satisfied that the Council has been correctly administering petty cash since March 2020.

*Item G: Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.*

The Council was not paying across the full amount due to HMRC, with employers National Insurance being missed off. One salary payment to a member of staff was not recorded or reported to HMRC through RTI. One member of staff on two occasions did not have their national insurance contributions deducted from their salary payment. This has now been rectified, and I am satisfied that since February 2020 the Council has been operating PAYE correctly.

*Item I: Periodic and year-end bank account reconciliations were properly carried out.*

No bank reconciliations were carried out between April and December 2019. The first full bank reconciliation was carried out in December 2019 and the accounts show that proper reconciliation occurred from February 2020 onwards. I am satisfied that the Council now regularly reconciling and reporting their finances.

Catherine Moore  
Internal Auditor  
6<sup>th</sup> May 2020

