

Cinmarsh, Fourfoot, Hornblotton
BA4 6SD

The Chairman
Lydford on Fosse Parish Council
C/o Ms J Nicol
Parish Clerk

7/6/19
Dear Chairman

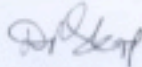
Lydford on Fosse Parish Council
Internal Audit report for the year 2018/19

I am pleased to submit to the council my yearly internal Audit Report for the financial year ending 2018/2019.

Having completed this 12 monthly check in accordance with the Council's requirements I can report that, in all significant respects, the control objectives are being achieved to a standard adequate to meet the needs of the Council. I consider that the procedures being followed are sound and no further changes are recommended..

I attach a summary of the checks I have carried out and would like to thank Ms Nicol for supplying all the appropriate documentary information.

Yours faithfully

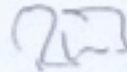


Derek Sharp
Internal Auditor

Annex A: Internal Audit - Summary of checks carried out

Copy to:
Parish Clerk

Annex A to Internal Auditors letter
dated 7/6/19



Parish Council year end Internal Audit 2018/19

Summary of checks carried out

Verify that Books of account have been properly checked during past 12 months.

Is the Cashbook maintained and up to date? **Yes**

Is the arithmetic correct? **Yes**

Is the cashbook regularly balanced? **N/A**

Verify sample payments, financial regulations invoices, VAT etc

Have standing orders and Financial regulations been formally adopted? **Yes**

Has an RFO been appointed and duties specified? **Yes**

Have items above a de minimis amount been competitively tendered? **Yes**

Are payments in the cashbook supported by invoices and authorised and minuted? **Yes**

Has VAT on repayments been identified, recorded and reclaimed? **Yes**

S137 expenditure separately recorded and within statutory limits? **Yes**

Approved signatories - **as per Barclays Mandate form**

Risk Management

Does a scan of the minutes identify any unusual activity? **No**

Do the minutes record the Council carrying out an annual risk assessment? **Yes**

Is insurance cover appropriate and adequate? **It appears so, council to decide.**

Are internal financial controls documented and regularly reviewed? **Yes**

Verify that the annual precept is the result of a proper budgetary process.

Has the council prepared an annual budget in support of its precept? **Yes**

Is actual expenditure against budget reported regularly to the Council? **Yes**

Are there any unexplained variances from the budget? **No**

Verify income records

Is income properly recorded and promptly banked? **Yes**

Does the precept recorded in the cashbook agree to the District Councils Notification?

Yes

Are security controls over cash adequate? **N/A**

Petty Cash Records

Petty Cash - **Not applicable**

Payroll Controls

Do salaries paid agree with those approved by the council? **Yes**

Are payments to the Clerk reasonable and council approved? **Yes**

Has PAYE/NIC been properly operated by the council as an employer? **HMRC returns**

to be submitted by the Clerk as appropriate

Are real time information requirements being met? **Yes**

Asset Controls

Does the council keep an asset register of all material assets owned? **Yes**

Have any assets been purchased in the last 12 months? **No**

Are the asset registers up to date? **Yes**

Do the insurance valuations agree with those in the asset register? **Yes- valuations based on initial purchase price**

Periodic and year end reconciliations

Is there a bank reconciliation for each account? **Yes**

Is reconciliation carried out regularly on the receipt of statements? **Yes**

Are there any unexplained entries in any reconciliation? **No**

Year end testing

Are year end accounts prepared on the correct accounting basis? **Yes**

Do the accounts agree with the cash book? **Yes**

Is there an audit trail from underlying records to the accounts? **Yes**

Where appropriate have any debtors or creditors been properly recorded? **N/A**

