

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

OKHAMPTON HAMLETS PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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.	N/A		
G. Salaries to employees and allowances to members were paid in accordance with this smaller 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. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Name of person who carried out the internal audit LYN HARGOOD

Signature of person who carried out the internal audit

Lyn Hargood

Date

24/05/2017

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

Internal audit work was done in this area and when it is

INTERNAL AUDIT REPORT FOR OKEHAMPTON HAMLETS PARISH COUNCIL

I have carried out the annual internal audit today and wish to report as follows

Proper Book-keeping : A sample review of payment processes was made, ensuring accuracy of input and external checking/verification. VAT listed correctly . All payments backed up by good evidence. **No issues**

Financial Regulations : The Council has Financial Regulations which it has reviewed during the year. **No issues**

Standing Orders : The Council's Standing Orders have been reviewed during the year. **No issues**

Payment Controls : Expenditure is reported to Council monthly and authority of payments has been properly resolved. All payments are within Council's legal powers or are correctly identified as S137 (within permitted cash limits) but Council needs to note that all payments by the Council could be subject to S137 even when funding comes from an external source (eg CAB grant). All cheque stubs and related invoices were initialled. VAT claim submitted annually. Leases are in place and associated rent is reviewed annually.

Action : Council to ensure that all spending, irrespective of where the money has come from, must be spent within its powers or S137

Risk Management : The Council's risk management policy was revised in May 2017 and approved by Council. Insurance has been reviewed and approved. Statement of Internal Control has been reviewed during the year. Council will need to discuss the actions it takes with regard to any transfer of assets from West Devon District Council including legal matters, land registration, health and safety and other related issues. **Action : Council to discuss full implications of transfer of assets and take legal advice**

Budgetary Controls : Budget properly prepared and reviewed and precept set but Council needs to separately approve the budget. Budget shows previous years' receipts and payments as a comparison which is very good practice. Progress against budget and variances being reviewed by Council regularly and a note of the budget allowances are kept on the management accounts, again showing very good practice. Bank balance reported to Council monthly. Reserves reviewed as part of the budget approval. **Action : Council to approve budget separate from approval of precept**

Income Controls : Precept and grant properly and promptly received. Other income all properly evidenced. **No issues**

Petty Cash Procedures : No petty cash system in operation. **No issues**

Payroll Controls and Employment : Payroll done in house and all records show accuracy. Pension arrangements have been discussed and the Council is registered as an employer. Salary changes have been approved by the Council during the year. Proper record of Clerk's expenses kept. Council moves into a confidential part of a meeting by resolution but Part 2 minutes should form part of the main minutes **Action : Minutes to include Part 2 decisions**

Asset Control : Asset register in place and reviewed annually. **No issues**

Bank Reconciliation : Monthly and year end reconciliations in place covering both accounts. **No issues**

Year End Procedures : Year end accounts prepared under Receipts & Payments and approved by Council. External audit form completed and approved with approval for Governance prior to Internal Audit Report. **No issues**

Transparency Code: As the Council's turnover is less than £25,000 it will not have a full external audit from 2017/18. The Council has taken steps to comply

Lyn Hargood

24 May 2017