INTERNAL AUDIT REPORT – FINANCIAL YEAR 2018-19

The Internal Audit has been undertaken with reference to Section 4 of the Annual Return 2018-19 and appendix 9 of *Governance and Accountability for Local Councils.* The Clerks, Carol Jones and Paula Cottrell, are thanked for their assistance with the audit. The opinion formed during the Internal Audit is based on the evidence provided at audit in the form of documents, accounts, receipts etc., in addition to consultation with the Clerk. No assumptions or speculation is made unless evidence is produced.

Area covered	Observations	Recommendations
Proper bookkeeping	- Accounts are maintained on a spreadsheet - Testing revealed no errors in the cashbook - Cashbook is maintained on an ongoing basis	
Standing orders **Financial regulations** **Payment controls**	- The council has formally adopted financial regulations and standing orders. - Testing revealed no issues - A VAT return has not been submitted to reclaim the recoverable VAT.	**The council should submit a VAT Return to reclaim the recoverable VAT**
Risk management	- A review of minutes has not identified any unusual activity. - The Council has undertaken an annual risk assessment in 2018-19 - Public liability insurance of £10m seems adequate	

- The Council has adopted a set of Financial Regulations and these were reviewed in 2017-18

Budgetary Controls
- The Council prepares an annual budget and budget monitoring statements are presented to council meetings

Income Controls
- The Council has no income other than the precept.

Petty cash procedures
- Not applicable

Payroll Controls
- The Clerk has an employment contract
- Salaries and PAYE/NIC are correctly paid and approved.

Assets controls
- The Council maintains a register of assets.
- Insurance valuation is £24,925 whereas the asset valuation is £25,397

Bank Reconciliation
- Bank reconciliations has been undertaken with no unexplained balancing items.

Year-end procedures
- Year end accounts produced on receipts and payments and testing agreed to cash book.