

Chudleigh Town Council

Internal Audit Report 2017



(to be read in conjunction with the attached Internal Audit Observations)

	Internal Control Objective	Observation	Internal Audit Response
A	<i>Appropriate accounting records have been kept properly throughout the year.</i>	The Council maintains its accounts using Sage 50 accounting software, which is commonly used by Councils of a similar size. During the interim audit a number of issues were identified which required action by the Council. These issues were addressed and substantially resolved by the year end	Yes
B	<i>This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	The Council has in place a set of Financial Regulations which were reviewed in May 2016	Yes
C	<i>This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	The Council formally Minuted a review fo risk at a meeting held in May 2016	Yes
D	<i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	The Council set the precept at a meeting held on 4th january 2016. The Council should refer ot the audit report issued on 11th November 2016	Yes

E	<i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	The Council has reviewed arrangements in relation to recording of income during the year, this has resulted in a write off of some balances. <i>The Council should refer to the attached Internal Audit Observations</i>	Yes
F	<i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	The Council does not maintain a petty cash	Not Covered
G	<i>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.</i>	A review of salary payments was undertaken during the year end visit. Salaries paid were agreed to contracts of employment	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council has in place an asset register. The value stated on the register does not agree with the value stated in the Annual Return. <i>The Council should refer to the attached Internal Audit Observations.</i>	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	The interim Internal Audit identified a number of issues relating to bank reconciliations. These were resolved by the Council prior to the year end. <i>The Council should refer to the Interim Internal Audit Observations issued in November 2016.</i>	Yes

J	<i>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.</i>	The Council reports on an income and Exepnditure basis. During the year the Council has conducted a review of debtor balances. it was noted that there are a number of overdue balances on the Debtors Ledger. <i>The Council should refer to the attached Internal Audit Obseravtions.</i>	Yes
K	<i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.</i>	The Council does not act as Trustee	N/A

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