

# Chudeigh Town Council

## Internal Audit Report 2018



23 April 2018 at 15:42:

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

	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 the Sage 50 accounting system, which is commonly used by Councils of a similar size. The records reviewed were found to be well maintained.	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. A sample of payments was selected. In all cases it was possible trace original supporting vouchers which had been appropriately authorised. <b><i>The Council should refer to the attached Internal Audit Observations</i></b>	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 reviewed risk at a meeting held in March 2018	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 its precept at a meeting held on 9th January 2017. Regular budget control reports have been submitted to Council	Yes

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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 monitors debtors using the Sage sales ledger. It was noted that there are a number of overdue debts which have been subject to formal review by the Council.	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	N/A
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>	The Council operates its payroll through an external payroll agency. Regular payments of PAYE and N.I. have been made to HMRC. <b><i>The Council should refer to the attached Internal Audit Observations</i></b>	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council maintains an Asset Register which was subject to review during the year end audit visit. <b><i>The Council should refer to the attached Internal Audit Observations</i></b>	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	The Council has carried out regular reconciliations of its banks accounts and these are regularly reported to Council. <b><i>The Council should refer to the attached Internal Audit Observations</i></b>	Yes

	Internal Control Objective	Observation	Internal Audit Response
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 Expenditure basis. The only accruals recorded at the year end were in respect of trade debtors and creditors	Yes
K	<i>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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