

Bovey Tracey Town Council Internal Audit Report 2017



24 April 2018 at 08:55:

(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 was previously maintaining its accounts using a manual cashbook. During the year the Council migrated to the Alpha accounting system 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 is using the NALC Model Financial regulations. A test of bank payments was undertaken. In all cases it was possible to trace the original supporting vouchers which had been appropriately approved . The Council should refer to the attached Internal Audit Observations.	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 maintains a Risk Register which was subject to review in September 2017.	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 23rd January 2017. Regular budget 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 receives a limited amount of income from burials and allotments. The Council is not VAT registered and does not make VATable supplies	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 PAYE through the District Councils payroll service and under the PAYE code of the District Council. It is understood that the Council will move to using its own PAYE code during the 2018- financial year	Yes
H	<i>Asset and investments registers were complete and accurate and properly maintained.</i>	The Council maintains an Asset Register which has been subject to review during the year. The Council should refer to the attached Internal Audit Observations	Yes
I	<i>Periodic and year-end bank account reconciliations were properly carried out.</i>	The Council has carried out reconciliations of its bank account. The year end bank reconciliation was reviewed and agreed. The Council should refer to the attached Internal Audit Observations	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 Expenditure basis, Year end VAT debtor and accruals were reviewed and agreed	Yes

	Internal Control Objective	Observation	Internal Audit Response
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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