

# Annual Internal Audit Report 2019/20

PINVIN PARISH COUNCIL  
ENTER NAME OF AUTHORITY

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this 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 authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This 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.			✓
G. Salaries to employees and allowances to members were paid in accordance with this 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. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

04/04/20 to 06/04/20 DD/MM/YY

DIANE MALLEY AUDITOR

Signature of person who carried out the internal audit

Diane Malley

REQUIRED

Date

06/04/20.

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

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).





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6<sup>th</sup> April 2020

Pinvin Parish Council  
1a Church Walk  
Stourport on Severn  
Worcestershire  
DY13 0AL

Dear Chairman

## **Internal Audit Report**

I have now completed the internal audit for Pinvin Parish Council. I have carried out tests on the systems in place and have reviewed the internal controls. I confirm I have acted independently; the basis of the internal audit is by selective assessment of compliance with relevant procedures and controls.

### **A. Appropriate books of account**

Appropriate books of account have been kept during the year. The council has used a spreadsheet to record the accounts which is adequate for the number of transactions. The accounts are kept up to date and there is evidence in the minutes they are balanced regularly.

### **B. Financial Regulations**

There is a clear audit trail of all samples of expenditure picked, payments were supported by receipts or invoices and payment schedules were reported to meetings.

VAT was appropriately accounted and a reclaim was made at the year end.

### **C. Risk Assessments**

The council carried out a risk assessment during the year which was reviewed at council and minuted.

The council's insurance cover includes public liability, employer's liability and fidelity guarantee.

The parish council uses dropbox to back up the parish council files.



Registered company number 10880898

**D. Precept**

The precept was set after the council considered its budget requirements for the year.

The budget spreadsheet provided contains a year to date column which allows the council to monitor income and expenditure against the budget partway through the year. To strengthen the financial controls a similar monitoring report should be provided to council at least quarterly and minuted.

**E. Income**

There were no unusual receipts during the year. There was a small amount of cash receipts during the year which can cause a problem receipting due to the clerk working from home, this has been resolved by an instruction to allotment holders that all payment must be made by bacs payments.

All interest has been included in the cash book.

**F. Petty Cash**

Petty cash is not used.

**G. PAYE**

The PAYE is administered using HMRC's basic tools. The pay increase was clearly minuted and there is evidence of the RTI report held on the council records.

**H. Asset Register**

The parish council maintains an updated asset register.

**I. Bank reconciliations**

The bank accounts are reconciled to the cash book regularly and this is evidenced in the minutes. I have recalculated the year end bank reconciliation and confirm it is correct.

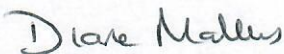
**J. Accounting Statements**

The parish council prepares the accounting statements on a receipts and payment basis and agree to the cashbook.

**General**

In general, the accounting records are well kept, and I would like to thank your clerk, Carole Hirst, for her assistance in the internal audit review and enclose my invoice for your attention.

Yours sincerely



Diane Malley MAAT