

**WOOTTON PARISH COUNCIL INTERNAL
INTERIM AUDIT REPORT FOR THE
YEAR ENDED 31 MARCH 2018**
Conducted 08/02/2018

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Introduction

The interim internal audit was carried out on 8th February at the offices of Wootton Parish Council.

Summary of Work Completed

The work completed is identified in the following table below:

AREA OF WORK	WORK COMPLETED
Bank Reconciliations	<p>a) Bank reconciliations were reviewed and agreed each month to ensure that controls were working effectively throughout the period.</p> <p>b) The reconciliation for the period to 31/01/2018 was verified to the accounting data as entered to QuickBooks software.</p>
VAT Returns	<p>a) VAT returns for the year were reviewed and the liability as at 31/12/2017 was verified to the trial balance as at that date.</p>
Substantive Income and Expenditure Testing	<p>a) A sample of income and expenditure was confirmed to supporting documentation. Receipts and payments were confirmed to the bank statements respectively.</p> <p>b) Internal authorisation procedures were checked for the council's expenditure for the period under review. One sample of purchases has authorization pending which will be reviewed further at final audit stage.</p>
Payroll	<p>a) A sample of wages was verified to supporting evidence to confirm timesheets and hours paid were in line with agreed amounts and that deductions were correctly calculated.</p>
Risk Assessments	<p>a) The council's risk assessments were reviewed to ensure that due consideration has been given to identify the key and significant risks.</p> <p>c) To ensure that sufficient safeguards and controls are in place to mitigate identified risks.</p>
Fixed Asset Register	<p>a) The fixed asset register was reviewed to ensure that assets owned by the council are correctly recorded.</p>

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Minutes of Meetings	a) The minutes of meetings since the last internal audit were reviewed and any relevant information was noted.
Review of Trial Balance	a) The trial balance was reviewed for reasonableness b) The trial balance was confirmed to the accounts and annual return respectively to ensure financial results agree to source material.
Insurance	a) A review of insurance policies was conducted to ensure that sufficient cover is in place and is reasonable.

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Results

The work completed is identified in the following table below:

AREA OF WORK	OBSERVATIONS/POINTS
Bank Reconciliations	Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at 31 January 2018
VAT Returns	The balance as at 31/12/2017 was reconciled to the financial statements. A small variance of £9.46 was observed for the last submitted return in December 2017 to the trial balance at that date. The variance is likely to be timing differences for late entries and was not investigated at further. Testing will be conducted at the final audit to confirm.
Substantive Income and Expenditure Testing	<p>No issues were identified with income and expenditure testing. A sample of two transactions were reviewed to supporting evidence and checked to ensure payments cleared the bank.</p> <p>Authorisation procedures were confirmed to be working effectively. (Pending authorisation for one sample selected).</p> <p>Accounting entries were correctly recorded and posted to the correct nominal code.</p>
Payroll	<p>Payroll was confirmed to have been calculated correctly and reported amounts were confirmed to completed timesheets.</p> <p>Deductions were calculated correctly and rates of pay were in line with contracted/agreed amounts.</p>
Risk Assessments	The Parish Council's risk assessments were confirmed to be reasonable and safeguards are considered to be appropriate and reasonably implemented.
Fixed Asset Register	<p>The fixed asset register was reconciled to reported amounts as per the annual return.</p> <p>The BDO audit report identified that some fixed assets were recorded at £1 from the inception of the Parish Council where they were acquired at market value cost. Adjustments were correctly reflected in the fixed asset register. No further changes were observed.</p>

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Minutes of Meetings	Minutes were reviewed and no pertinent issues were identified for the period under review.
Insurance	Documentation was reviewed and is expected to be sufficient to cover the requirements of the Parish Council.
Other Observations	No other issues were identified to report.

Conclusion

In our opinion the Council is keeping their books and records in order and is following internal control procedures that have been established.

R Hammond

R Hammond FCA
Partner

9/2/18.

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