

**INTERNAL AUDIT REPORT**  
**NEWHALL PARISH COUNCIL**  
**2016/17**


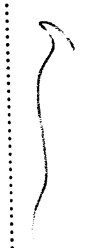
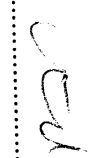
The internal audit of Newhall Parish Council was carried out by undertaking the following tests in the Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

**Conclusion**

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited**

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**ACTION PLAN**

	<b>ISSUE</b>	<b>RECOMMENDATION</b>	<b>FOLLOW UP</b>
1	No issues arising – a comprehensive set of books and records has been maintained and all internal control objectives met. As the parish council has an income less than £25000, we have also checked compliance with the Transparency Code through review of the website and will check this at each internal audit in future.		
<b>2015/16 audit</b>			
1	No Contract of employment, Risk Assessment, Standing Orders or Financial Regulations were provided for audit	<i>Please provide these documents for the internal audit for the year ended 31/3 17</i>	<b>Implemented – all these documents were reviewed in 2016/17 audit and were considered satisfactory</b>
<b>2014/15 issues</b>			
1	<b>Guidance note for 2015/16</b> An area of potential risk for the Council in 2015/16 is ensuring they meet the requirements of The Pensions Regulator with respect to auto enrolment, or they may face fines. Even if staff are not eligible to be auto enrolled into a pension scheme, the Council may still have to complete a declaration of compliance.	<i>The Council should review this risk if they have not already done so and ensure they meet any requirements of The Pensions Regulator. See <a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a> for further information.</i>	<b>Noted</b>