

**Internal Audit Report  
Rotherfield Peppard Parish Council  
Oxfordshire.**

**Internal Audit Final Report  
2015-16**

**15<sup>th</sup> April 2016**

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### Introduction

**An internal audit review of Rotherfield Peppard Parish Council's Financial controls for 2015/16 has been undertaken by Arrow Accounting. The work covered was a key control review of the systems in place for ensuring an adequate level of Governance and Financial control. Previous recommendations were followed-up.**



# Scope of the Internal Audit

The review included the following:-

- o Bookkeeping Arrangements.
- o Payments in relation to Financial Regulations.
- o Review of Internal Controls.
- o Budgetary Controls.
- o Expected Income fully received and properly recorded.
- o Petty Cash levels and payments supported and approved.
- o Payroll Controls, salaries & fees.
- o Asset Controls.
- o Bank Reconciliations.
- o Accounting Statements.
- o Trust Funds (If applicable).
- o Review and completeness of audit action plans.
- o Review of External Audit recommendations made in the previous year.
- o Review of Section 1 of the Annual Return and the Financial Statements.
- o Auditors Summary.



# Findings, recommendations and action plan

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bookkeeping Arrangements	A	Appropriate books of account have been properly kept throughout the year. Well maintained with sound audit trails.	None	N/A
Councils Financial Regulations have been met in regard to expenditure.	B	The Councils Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure	None	N/A
		Payments were supported by Invoices, expenditure was approved and VAT was appropriately accounted for.	None	N/A

# Findings, recommendations and action plan

Process	Annual Return Section	Findings	Recommendations	Action Planned
<b>Review of Internal Controls.</b>	<b>C</b>	<b>The Council has assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>	<b>None</b>	<b>N/A</b>
		<b>The review of the Effectiveness of Internal Audit acknowledgement has been fully completed in line with the Governance &amp; Accountability Procedures for Local Councils.</b>	<b>None</b>	<b>N/A</b>

Process	Annual Return Section	Findings	Recommendations	Action Planned
Budgetary Controls (Precept requirement)	D	The Annual precept requirement resulted from an adequate budgetary process.	None	N/A
Budgetary Controls (Budget monitoring)		Progress against the Budget was regularly monitored.	None	N/A
The final Outturn is in line with expectations.		The final Outturn was materially in line with expectations.	None	N/A
Income controls	E	Expected Income was fully received and properly recorded.	None	N/A
Petty cash controls	F	Petty cash was not operated by the Council in the year.	None	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Payroll controls	G	Salaries to employees and allowances to members were paid in accordance with council approvals. PAYE and NI requirements were properly applied.	I would just recommend that a reconciliation is made between the Payroll Records, The Accounts and the Annual Return.	N/A
Asset Controls	H	The Asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.	None	N/A
Asset Controls	H	All Additions in the year have not been correctly recorded within the Cash Book and Register	None	N/A
Asset Controls	H	All appropriate Deeds and Titles have been established and shown on the Register.	None	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bank Reconciliations	I	Periodic bank account reconciliations were properly carried out.	None	N/A
Accounting Statements	J	Income & Expenditure correctly stated and the Debtors/Creditors properly recorded.  This will be confirmed at the final review.	None	N/A
Trust Funds (If applicable)	K	The Parish Council does operate as a Trustee for Charity 801262	None	N/A



Process	Criteria	Findings	Recommendations	Action Planned
Review of Internal audit action plan has been considered and actioned?	Good Practice	Recommendations made in the Interim Audit year 2015/16 have been actioned.	None	N/A
External Audit recommendations have been considered and actioned.		External Audit recommendation made in the previous year 2014/15. Annual Return £1 rounding error.	None	N/A
		Acceptance of the External Report was not confirmed.	None	N/A
Qualifications made, if any have been addressed in 2015/16.		There were no qualifications to address.	None	N/A

Process	Criteria	Findings	Recommendations	Action Planned
<b>Accounting Statements agreed and reconciled to the Annual Return</b>	<b>Part 1 of the Annual return is complete and accurate and reconciles to the statement of accounts.</b>	<b>The accounting statements in the annual return present fairly the financial position of the council.</b>	<b>None</b>	<b>N/A</b>
<b>Financial Statements</b>		<b>1) The Financial Statements and supporting financial notes.</b>	<b>None</b>	<b>N/A</b>

# Internal Auditors Report

Rotherfield Peppard Parish Council has an electorate in the region of 1361 and the precept for 2015/16 was set at £27,500.

Overall, the Council has sound arrangements in place to satisfy itself that its systems of internal financial control are both adequate and effective in the interim. There are approval and authorisation controls and there is a clear audit and management trail for financial transactions. Further tests will be undertaken at the final visit

**Phil Hood**  
**Arrow Accounting**  
**(Internal Audit)**  
**15<sup>th</sup> April 2016**

