

Louth Town Council

INTERNAL AUDIT REPORT 2017/18

Internal Auditor: Steve Fletcher

Date of Audit: Tuesday 1st May 2018

	Findings, Recommendations and Notes to Council & Clerk
Proper Book Keeping	<p>The RBS Rialtas Suite system is used to record payments and receipts and is used as the basis of the cash book</p> <p>Controls appear adequate for cash receipts and cheque payments.</p> <p>A sample check of items and summary totals of payments approved by Council agrees with the cash book totals and balances.</p> <p>A sample check of cash reconciliation shows correct procedures have been undertaken throughout the financial year.</p> <p>Section 137 expenditure has been properly identified in the accounts.</p>
Standing Orders Payment Controls	<p>Financial regulations and other Town Council Policies have been reviewed and changes approved by Council during the 2017/18 financial year.</p> <p>From a sample of payments in the cashbook, payments appear to be properly supported by invoices and these are approved each month by Council.</p> <p>VAT statements are produced from the system and appear to be in order.</p>
Risk Management & Risk Assessment	<p>Following an in depth review of the Town council minutes, they are presented in a 'user friendly' way and there is no evidence of any unusual financial activities.</p> <p>A risk assessment and asset assessment has been undertaken and approved by the Council during the financial year 2017/18.</p> <p>Insurance provision appears to be adequate with payment to insurance provider shown on bank statement and in cash book.</p>
Budget Controls	<p>A budget has been prepared that supports the precept demand for financial year 2018/19 and was duly approved by the Town Council.</p>

Internal Controls	Internal budgetary control measures appear robust and adequate and the appointment of an internal auditor was resolved by the Town Council during the financial year 2016/17 (note: this should be carried out annually). Controls for minimal income receipts appear adequate.
Income Controls	
Loans	From the sample reconciliation of the Public Works Loan Board (ref 131 08302) information sums within correspond and balance.
Petty Cash	From a sample check of the petty cash and summary totals of payments, sums within the cash book Balance and supporting receipts confirm amounts spent. The petty cash float held within the office balances with receipts (£258.09 as at 01.05.2018). Satisfactory controls and risk assessment are in place in relation to the management and reconciliation of the petty cash account.
Payroll	Payments pertaining to the payroll for all staff of the Town Council were approved by Council during the financial year 2017/18 and all PAYE and NI calculations and payments have been duly authorised and made.
Asset Controls	The Town Council have a comprehensive asset register which clearly identifies council assets and their individual and combined values.
Bank Reconciliation	Bank reconciliations are complete for the financial year 2017/18 and supported by payment and receipt entries within the cash book and corresponding bank statements.
Year End Procedures	I am satisfied that all year end procedures have been duly undertaken and completed in an appropriate way and the form in support of the accounts to the External Auditor has been completed to this effect.

Internal Auditors Comment:

I recommend that the Town Clerk & RFO be congratulated on providing continued excellent administration support and comprehensive financial records on behalf of Louth Town Council.

Steve Fletcher – 1st May 2018.

LOUTH TOWN COUNCIL

Internal Audit: Visit 1st May 2018.

Financial Period: 1st April 2017 to 31st March 2018.

CONTROL	TEST	Y/N	COMMENTS / RECOMMENDATIONS
Assets	Asset Register	Y	
	Updated	Y	
	Valuations	n/a	
	Zero Balances	n/a	
Attendance Register	Elected Members	Y	Evidenced in minutes
Budget	Process Followed	Y	Final budget 2018/19 agreed at full Council
	Reports to Council	Y	Evidence: Reported to full Council at meetings
	Variations	Y	As above
Cash Book	Up to date	Y	Evidence: in bank reconciliation folder
	Balanced	Y	As above
	Discrepancies	N	None
Cash	Records Kept	Y	Evidence: Reported to full Council at meetings
Credit Card	Records Kept	Y	Evidence: in bank reconciliation folder
Petty Cash	Records Kept	Y	Identified in Financial Regulations
	Balance	Y	£258.09 (as at 31.05.2018)
Cheque Books	Completed / countersigned	Y	Cheque Stubs 007402 to 007680
Cancelled Cheques	Procedure	Y	Evidence: within bank reconciliation folder
Direct Debits / Credits	Approved by Council	Y/N	Council has ratified payments by DC/DD.
Financial Regulations	Updated / Approved	Y	Reviewed and adopted
Income	Promptly Banked	Y	Evidenced in minutes, Paying in Slips 500130 to 500148
	Anticipated	Y	Evidenced in minutes
	Received	Y	Evidenced in receipt books / bank statements
Internal Auditor	Appointment of	Y	Evidenced in minutes / financial regulations
Payment Controls	Invoices	Y	Evidenced in bank reconciliation folder
	Minuted	Y	Evidenced in minutes

	VAT Payments	Y	VAT Payments are offset against reclaims
	VAT Reclaimed	Y	VAT claimed
	S. 137	Y	A separate record of section 137 spend is recorded
Payroll	In House	Y	Accredited Payroll System used
	Salaries Approved	Y	Evidenced in Council minutes and payment schedules signed
	PAYE Correct	Y	Calculated using accredited Payroll System
	Cllr Allowances	N	To be reviewed in future audit
Reconciliation	All Accounts	Y	Evidenced in bank reconciliation
	Up to date	Y	As above
	Balanced to statements	Y	As above
Risk Management	Approved	Y	Reviewed by full Council
	Unusual Activities	N	n/a
	Insurance Cover	Y	Minutes refer to insurance cover
	Reviewed	Y	As above
	Controls	n/a	n/a
Standing Orders	Updated / Approved	N	Reviewed and adopted
Internal audit 2017/18	Accounts Agree	Y	Internal Auditor report evidenced
	Audit trail Adequate	Y	Excellent Audit trail; financial records / documents supplied

Mr S Fletcher
IMO; Dip Ed (MA); CILCA; MILCM; PSLCC