

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


The internal audit of Willington 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.


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JDH Business Services Limited

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>Subject to the issue raised below a comprehensive set of books and records has been maintained with all internal control objectives met in the financial year.</p> <p>We have also reviewed the document management system on the council website for key disclosures and can confirm compliance with the Transparency Code for smaller authorities.</p>		
1	<p>The annual budget that underpinned the precept request did not include brought forward balances or carried forward balances</p>	<p>The level of balances should be considered as well as the budgeted net operating expenditure for the year when setting the annual precept</p>	
	2015/16 audit		
	<p>No issues arising – a robust set of books and records has been maintained throughout the year.</p>		