

Annual Internal Audit Report 2018/19

LISKEARD TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.		✓	
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. (<i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i>)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
		✓	

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

31/05/2019 21/06/2019

Name of person who carried out the internal audit

CHRIS HARRIS

Signature of person who carried out the internal audit



Date

24/06/2019

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

INTERNAL AUDIT REPORT – LISKEARD TOWN COUNCIL

NOTES TO AUDIT REPORT 2018-19 FINANCIAL YEAR

Expected income was fully received, based on correct prices, properly recorded and promptly banked: VAT was appropriately accounted for

The Council should review debt reporting and action to recover debts with many currently in contravention of normal trading terms. This should assist in ensuring debts do not become unrecoverable. Additionally, the Council granted a loan of £2,000 in March 2010. The agreement confirms the loan is to be repaid within 3 years. The loan is still appearing on the accounts as at 31st March 2019. The Council should investigate if the loan is still outstanding and if so, whether it is recoverable. The year-end financial report generated from sage indicates some debts are 9-12 months old.

Periodic and year end bank account reconciliations properly carried out

At the final date of internal audit the bank/short term investments did not reconcile with the cash book. The unreconciled elements are relatively minor and primarily involve the interest on short term investments. It is understood that the reconciliation should be complete at the time of presentation to Council and subsequently the external audit.

Council has met its responsibilities as a trustee (if applicable)

The Council operates three Trust Funds and whilst nominal statements have been prepared, there is no evidence of accuracy presented at audit for example in the form of reconciled bank statements, current trustees and also bank signatories. It is understood that £500 was authorised to be expended from one Trust Fund but there is no audit trail to reconcile with the prepared statement as to how this has been achieved. It is recommended the operation of the Trust funds should be viewed as priority by Council.