



**anthon marlow**  
certified accountants

## INTERNAL AUDIT REPORT TO THE MEMBERS OF BOTTESFORD PARISH COUNCIL

I have carried out an internal audit of the Councils accounts and records to enable me to properly respond to the requirements of the Councils Annual Return for 2015. I have been able to respond positively to all elements of the Annual Return. The internal controls contained within the Councils financial regulations were tested and were being properly followed and were found to be effective.

May I express my thanks to the Clerk for her assistance during the audit.

Alistair Nicklin  
Anthon Marlow Certified Accountants  
Dated 5<sup>th</sup> June 2015

**To:** Bottesford Parish Council  
**Subject:** Internal Audit  
**Conducted By:** W R Wilson –F.C.C.A (Anthon Marlow)  
**Review Date:** 27<sup>th</sup> May 2015

#### Introduction

The purpose of this report is for Anthon Marlow to review the overall conduct and internal audit on the books and records of Bottesford Parish Council for the year ended 31<sup>st</sup> March 2015.

#### Scope of Work Done

The financial records for this year consisted of Quickbooks accountancy package, bank statements, invoices for both income and expenditure and payroll records.

The scope of work done on the above financial records was as follows:

1. Ensure that the appropriate books of account have been properly kept.
2. Test a sample of payments to supporting invoices, ensuring that they are approved by responsible officials and that VAT was appropriately accounted for.
3. Ensure that the Council has assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
4. Review the budgeting process is adequate for the annual precept requirement. Ensure that actual v budget was regularly monitored and reserves were appropriate.
5. Test a sample of expected income, ensuring it was fully received, promptly banked and VAT correctly accounted for.
6. Test a sample of petty cash payments, ensuring that they are supported by receipts and authorised, with VAT properly accounted for.
7. Test a sample of salaries to see if paid in accordance with Council approval.
8. Review the asset register, ensuring it is complete and accurate.
9. Review a sample of periodic and year end bank reconciliations for accuracy.
10. Review any accountancy statements prepared during the year, ensuring they are prepared on the correct accounting basis.

#### Findings from work done.

Observations from the above work done have been listed below:

1. The books of account were prepared on QuickBooks (computer accounting package) for the year. This is a well established accounting software package. The bookkeeper for last year has left the Parish Council at the end of the financial year and the Parish Clerk has taken over. She has little experience on QuickBooks and it has been noted that she will be given training on this system.



2. A test sample of thirty payments, chosen at random took place. It was found that the sample chosen had either been approved by responsible officials or agreed to be paid in the minutes.  
The VAT had been appropriately accounted for on the sample.  
Noted that there was one posting error on the balance sheet in fixed assets an amount of £75 should have been posted to legal fees in the profit and loss account not land in the balance sheet.
3. Significant risks to achieve objectives had been addressed and recorded in minutes throughout the year.
4. Budgets were prepared and compared with actual. They appear to be in line with expectations at the year end.
5. Expected income was fully reviewed, properly recorded and banked promptly in the year.  
It was decided to carry forward grants paid in advance to reflect and match future expenditure.  
The accounts, therefore, would have to be prepared on an income and expenditure basis to show a true picture of the financial statements
6. There is no petty cash as such, however expenditure incurred by officials of the Council are reimbursed by cheque on a regular basis.  
  
A review of these reimbursed expense showed that they are backed up by receipts and/or calculations and approved by responsible officials.
7. Salaries are in accordance with council approvals.
8. The asset register requires updating for this years additions.
9. Evidence of periodic and year end bank reconciliations were located and correctly prepared.
10. Accounting statements reflected entries made in the accounting system.
11. There was no evidence of Trust funds.