

# HEELIS&LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Saxtead Parish Council – 2015/16**

Receipts: £3,632.09

Payments: £3,146.33

Reserves: £4,130.00

### Annual Return Completion:

Section One: *No, boxes 1 to 9 require completion.*

Section Two: *Yes*

Section Four: *Yes, completed by Internal Audit*

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*The Cash Book is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced. No payments were recorded under the Local Government Act 1972 Section 137.*

*VAT payments are tracked and identified within the Cashbook. The audit identified an omission under the VAT component heading in the Cashbook viz. the payment of £27.00 to SALC (cheque 100591) included £4.50 VAT which has not been recorded in the accounts, the payment having been recorded 'gross' under the Miscellaneous column.*

*Accordingly, care will need to be taken to identify all VAT payments when a re-claim is next submitted to HMRC.*

**Recommendation 1: The Council is recommended to fully populate the figures under the VAT heading in the Cashbook to ensure that all VAT payments are clearly identified for purposes of re-claim to HMRC.**

*The Cash Book was examined by Internal Audit. One minor error was identified viz. the Clerk's Salary column total of £778.40 (and Staff Costs Box 4 of Section 2 of the Annual Return) includes an £8.00 expenses payment made on 16 June 2015 to Mr Brian Farquhar (part of cheque 100597). Staff Costs should only include salary and direct employment expenses and not general expenses (which should be included under 'All Other Payments' in the Annual Return). In view of the small amount involved and the limited time available for submission of the signed Annual Return to BDO LLP it may not be practical to amend the accounts at this late stage.*