

LYDD TOWN COUNCIL

INTERNAL AUDIT REPORT 2015 - 2016

I am pleased to report to Members of the Town Council that I have completed my internal audit of the Town Council's records for 2015 – 2016.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Town Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Town Council's approach to the management of risks to be sound. I have, therefore, been able to complete Section 4 of the Annual Return.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 14 April 2016.

PREVIOUS AUDITS:

External Audit Certificate 2014 - 2015:

The External Audit Certificate for 2014 - 2015 (Section 3 of the 2013 - 2014 Annual Return) was unqualified and dated 8 September 2015.

The External Auditor did not raise any minor matters on the audit certificate.

Internal Audit 2014 - 2015:

There are no matters outstanding from my 2014-2015 report.

FINDINGS THIS VISIT:

During the visit I carried out work which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook.

Cashbook:

The cashbook was up to date and there was a good audit trail to the receipt and payment vouchers.

Shepway District Council paid the first instalment of the 2016-2017 Precept plus grants due on 31st March 2016. This receipt, therefore has to be included in the 2015-2016 receipts and payments accounts and also in the 2015-2016 Annual Return boxes 2 & 3.

I discussed the correct way of dealing with this advanced payment as advised by the Town Council's External Auditor PKF Littlejohn LLP.

Bank Reconciliations:

Bank reconciliations have been carried out and there were no unexplained entries. The reconciliations are regularly checked by Members.

Value Added Tax:

The VAT records were up to date and the VAT appropriately accounted for.

Payroll:

The HMRC requirements for Real Time Information have been met and regular payments made to them in respect of PAYE and NI.

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Insurances:

The level of cover in respect of Employee Dishonesty is currently £250,000 and meets the recommended minimum level of cover.

Minutes:

All the Minutes inspected had been signed/initialled.

Asset Register:

The Asset Register is up to date.

Charities:

The Town Council has met its responsibilities in respect of the two charities, The Lydd Charter Centenary Bursary (Registered Charity Number 295651) and The Pavilion and Land Adjoining Manor Road Lydd (1000063) for which the Town Council is the sole trustee.

The Charity Commission has received the annual updates for both charities.



**Kevin Funnell, F.M.A.A.T.
Independent Internal Auditor
14 April 2016**