# Alderley Edge Parish Council

## Internal Audit Report 2023/24

Interim Audit

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JDH BUSINESS SERVICES LTD

*Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales*

The internal audit of Alderley Edge Parish Council is carried out by undertaking the following tests as specified on the Annual Return for Local Councils:

- 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 overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Ltd**

| | ISSUE | RECOMMENDATION | FOLLOW UP |
|---|---|---|---|
| 1 | The Council carry out a number of quarterly internal control checks but do not include income sampling. | *The periodic checks carried out by members should include income sampling. The sample items should be agreed to price lists and VAT classification.* | *Implemented, added to checks.* |
| 2 | Testing of a sample of payments found there was no supporting letter of receipt for a £1000 grant for the village show. | *Evidence of receipt of monies should be obtained when grants or donations are made.* | *Noted, new grant agreement written.* |
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