

**MORTON PARISH COUNCIL**

**INTERNAL AUDITORS REPORT FOR THE YEAR ENDED**  
**31ST MARCH 2008**

We have carried out an internal audit of the Council's books and records in accordance with the Council's requirements and planned coverage.

The internal audit work has been carried out on a sample basis so as to provide a selective assessment of compliance to the relevant policy and controls that are expected to be in operation during the above financial year.

This work consisted of in depth testing of procedures carried out by the Clerk to the Council in execution of his duties and also ensuring that the Council's resolutions have been carried out in an accurate and timely manner.

The following areas were subject to inspection :

Financial Regulations.

Operation and Reconciliation of Bank Account.

Cash Book Receipts and Payments.

Invoices Raised.

Invoices Received.

Value Added Tax Refunded.

Preparation of Accounts.

Fixed Assets.

Council Resolutions.

Council authority for payments.

Risk Assessment.

Wages Records and Payments.

Precept Requirement and Budget.

Adequacy of Council Reserves.

Continued.

All Internal Audit work was carried out with the full co-operation of the Council and it's staff.

We conclude that Morton Parish Council has an excellent pattern of internal control and that this system meets the needs of the Council to a good standard.

A handwritten signature in dark ink, appearing to read 'J S Marriott'.

J S Marriott & Co  
Accountants  
214 North Wingfield Road  
Grassmoor  
Chesterfield  
S42 5ED

20th May 2008

## Section 4 – Annual internal audit report to

MORTON PARISH

COUNCIL MEETING

The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2008.

Internal audit has been carried out in accordance with the council'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, opposite, are the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

	Agreed? Please choose from one of the following Yes/No*/Not covered**
A Appropriate books of account have been properly kept throughout the year.	YES.
B The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	YES.
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES.
D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	YES.
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	YES.
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	YES.
G Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.	YES.
H Asset and investments registers were complete and accurate and properly maintained.	YES.
I Periodic and year-end bank account reconciliations were properly carried out.	YES.
J Year-end accounts were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.	YES.
K The council has met its responsibilities as a trustee.	NOT COVERED.

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit JOHN S. MARRIOTT.

Signature of person who carried out the internal audit JSMarr Date 20/05/2008

\*Note: If the response is 'no' please state the implications and action being taken to address any weaknesses 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, internal audit must explain why not (add separate sheets if needed).