

North Western Inshore Fisheries and Conservation Authority

Internal Audit Report

31 March 2017

We carried out this assignment on the basis of an assessment of the risks in each area of internal control relevant to the objectives set as part of our review.

Our work includes examination, on a test basis, of evidence relevant to these statements. Our tests may not necessarily disclose all errors, or irregularities, or areas of improvement and should not be relied upon to do so. Therefore the points below should not be considered exhaustive.

- 1 The accounting system for purchases, receipts, payroll, at the month-end, and at the year-end was adequate and it was operated as documented;
- 2 The audit trail from the underlying records was complete and easy to follow;
- 3 The budgetary process was rigorous and supported the levy asked for;
- 4 Virtually every entry on the accounting system has been reviewed by the Chief Executive to the Committee;
- 5 Virtually every item of expenditure we tested showed that they had been ordered, invoiced, and approved. Those which did not were considered to be recurring expenditure which did not need to have an individual order;
- 6 On the sample of petty cash payments we tested the reclaimable input VAT had been claimed and the expenditure was properly supported by an invoice;
- 7 The financial and general risks to the organisation appear to be well documented and acted upon through the Risk Assessment. We would recommend that an annual review is performed on the Risk Management Strategy and reported in line with the Finance Regulations and Strategy review and monitoring requirements.
- 8 Internal Controls Review (below)

Internal Controls Review

The body'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 2017.

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

Internal control objective	Agreed? Please choose one of the following:		
	Yes	No	Not Covered
A Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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North Western Inshore Fisheries and Conservation Authority

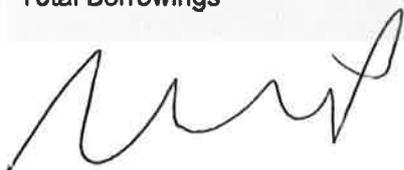
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Internal control objective (continued)	Agreed? Please choose one of the following:		
	Yes	No	Not Covered
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Accounting Statement to 31 March 2017:

	Final per signed Annual Return
1 Balances brought forward	1,382,222
2 (+) Income from tax and/or levy	1,235,254
3 (+) Total other receipts	78,943
4 (-) Staff costs	832,023
5 (-) Loan interest / cap repayments	-
6 (-) Total other payments	326,371
7 Balances carried forward	1,538,026
8 Total cash and STIS	2,424,816
9 Total fixed assets and LT assets	253,297
10 Total Borrowings	-

 16/8/17

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