

INTERNAL AUDIT REPORT 2017-18 WROXETER & UPPINGTON PARISH COUNCIL

1 INTRODUCTION

The following audit areas were examined:

Accounting Records; Bank Reconciliations; Receipts, Payments; Council Policies; Insurance; Risk Register Assessment; Payroll; & Council Minutes, Council's Internal Control arrangements and Annual Governance & Accountability Returns (AGAR) for 2017/18 including the Certificate of Exemption.

These meet the internal control objectives as listed on page 4 of the AGAR.

2 OVERALL

The standard of administration and system of internal controls relating to the audit areas examined was considered satisfactory.

Having completed a comprehensive examination of Council records presented to me I have completed the AGAR's Annual Internal Audit Report positively. The audit work undertaken supports that the Council's financial affairs are properly conducted and accurate.

3 DETAILED FINDINGS & RECOMMENDATIONS

The following outlines the areas covered during the internal audit which support the above statement; areas of concern are highlighted.

A Appropriate accounting records have been properly kept throughout the financial year.

The primary accounts record examined (i.e. the excel receipts and payments ledgers) were found to be accurate providing a comprehensive analysis of receipts and payments; meeting both accounting and Council requirements.

B The Council complied with its financial regulations, payments were supported by invoices/vouchers, and all expenditure was approved and VAT was appropriately accounted for.

Total payments for the year £4,293. A sample of 10 payments were examined and were agreed to the bank statements and financial accounts, and Council Minutes with the following exception.

Cheque payments 464 and 465 were incorrectly minuted and there is no record of cheque 467 £5.29 in the minutes. The Clerk is in the process of bringing this to the Council's attention.

Council's approval of the payments was also evidenced by one councillor initialing/signing the supporting invoice and two initials being present on cheque stubs. Payments examined complied with the Council's Financial Regulations which were re-adopted at its May 2017 meeting and conform to the NALC model.

VAT is appropriately accounted for in the Payments Ledger and VAT relating to 2016/17 was successfully claimed. The internal control objective has been met.

C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council last approved and adopted A Risk Assessment at its May 2016 meeting; it is expected to reexamine this at its May 2018 meeting

During the year the Council has demonstrated its internal management of perceived risks by reviewing its insurance needs, approving payments, checking a sample of bank reconciliations and approving and adopting the 2016-17 year end accounts in May 2017. The Council has also responded to safety issues at a recreational ground within the parish.

The Council has demonstrated that it manages its risks; **but should formalize this at its May 2018 meeting; when the revised risk assessment is to be considered and re-adopted.**

D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the council; and reserves were appropriate.

In Year Budget Monitoring – The Clerk presents to Council a year end budget monitoring report. This is deemed appropriate given the size of the Council and the financial detail presented at each meeting.

Precept/Budget 2018-19 – The Council resolved to set a precept of £4,165 at its January 2018 meeting which is supported by the Clerk's amended Budget Projections report. (Expenditure budget set £4,165).

Reserves - The year-end balance of £5,263 also includes ring fenced reserves.

The internal control objective has been met.

E Expected income was fully received, based on correct prices, properly recorded and banked.

Total receipts for the year were £5,446. These were satisfactorily traced to banking records and supporting documentation which comprised mainly of a precept receipt of £3,967 and Environmental maintenance grant of £1,358. The internal control objective has been met.

F Petty Cash Float - No petty cash float is held by the Clerk.

G Salaries to employees and allowances to members were paid in accordance with the Council's approvals and PAYE & NI requirements were properly applied

The Clerks salary payments as detailed in the accounts; have been agreed to RTI Payments Reports and the current Clerk's P60. There was evidence of Council supporting these payments within the minutes and approving the new Clerk's appointment. The newly appointed Clerk's contract supported payments made. The Clerks' annual mileage costs and working from home allowance have been included as Staff Costs on the AGAR Box4. Members did not receive allowances in the year. The internal control objective has been met.

H Asset and investments registers were complete and accurate and properly maintained The Council's fixed asset register/inventory as at 31/3/18 was examined and found to detail assets at their cost and replacement values where the value is unknown. Total £22,470. No in year movement was

noted. The Council is insured with Inspire the current policy expires on 31/5/18. The internal control objective has been met.

I Periodic and Year-End Bank Reconciliations were properly carried out.

A year end bank reconciliation has been carried out by the Clerk and independently agreed by the Auditor and will be presented to Council in May 2018 for approval and adoption.

The Clerk regularly presents bank reconciliations to Council; which are adopted and imbedded within the minutes.

J Annual Governance & Accountability Return (AGAR) 2017/18; Certificate of Exemption (page 3); Statement of Accounts (page 6) and Variance Analysis.

The AGAR's Certificate of Exemption has been correctly completed by the Clerk and is to be presented to Council at its May 2018 meeting for certification.

The AGAR's, Statement of Accounts has been correctly compiled on a receipts and payments basis based on accounting records. The Variance Analysis report as presented was also considered accurate.

K Trust Funds - The Council is not responsible for a trust fund.

L Council Meetings

A review of Council meeting minutes confirmed that the necessary number of councillors were in attendance achieving the required quorum. Council minutes were appropriately signed as accurate with the exception of that of the January 2018 meeting.

The Council's Standing Orders; Financial Regulations and a number of policies were re-adopted in May 2017 and are available on the Council's website. A brief review of Council's records on the Council's website confirmed that the web site did not contain the current Fixed Asset Register; and councillors' contact details were not easily available.

Should the Council or Clerk have any queries with this report please do not hesitate to contact me. I would like to thank Sarah for her assistance during the audit.

Best Regards,

SD Hackett

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26 April 2018