

# **OSPRINGE PARISH COUNCIL**

## **INTERNAL AUDIT REPORT 2017-18**

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I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2017-18 and have been able to complete the Annual Internal Audit Report (replacing Section 3) for the 2017-18 Annual Return.

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 Parish 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 Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to all the relevant questions contained in the Annual Internal Audit Report.

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 20 April 2018.

### **PREVIOUS AUDITS:**

#### **External Audit:**

PKF Littlejohn LLC issued their audit completion certificate for 2016-17 in August 2017. This appeared in the minutes of the September Council meeting but was not discussed or noted by the Council. The current Accounts and Audit Regulations require that any communication from the external auditor at the completion of the audit must be considered by the full Council. In effect this means a requirement for some form of decision by the Council which is then minuted.

#### **Internal Audit:**

This was my first visit and I have not seen my predecessor's report so there is nothing to follow up from 2016-17.

### **FINDINGS THIS VISIT:**

During the visit I carried out sufficient work to enable me to complete the Annual Internal Audit Report which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook. I also reviewed the asset register, insurance schedule and Standing Orders/Financial Regulations.

I found all the financial records to be accurate and up to date. There were no unexplained entries in the bank reconciliations.

The Council had not formally minuted its adoption of the 2018-19 budget at the meeting which set the precept. Parish councils have a duty to set a budget (s50 Local Government Finance Act 1992) and to set and state a precept (s39(2) and s41 of the same Act). These are separate legal provisions and to show compliance with the legislation it is generally better to have two resolutions, one for the budget and one for the precept, although a composite resolution covering both would be acceptable.

Receipts and Payments for 2017-18 were both below the £25,000 threshold below which the Council can exempt itself from part of the external audit process. I have discussed this with the Clerk who will raise the issue with the Council.

I have nothing further to report.

**Lionel Robbins**  
**Independent Internal Auditor**  
**07 May 2018**