

ULCOMBE PARISH COUNCIL

INTERNAL AUDIT REPORT 2018-19

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 2018-19 and have been able to complete the Annual Internal Audit Report for the 2018-19 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 23 April 2019.

PREVIOUS AUDITS:

External Audit Certificate 2017-18:

The External Audit Certificate for 2017-18 was qualified and was reported to the Council on 13 September 2018. One qualification related to the asset register being incomplete – this has been attended to. The other qualification related to a perceived error in the Governance return but has no practical impact going forward and no further action was required.

Internal Audit 2016-17:

There are no matters outstanding from the 2017-18 audit.

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 test checked a number of transactions between the authorizing minute, the cashbook and bank statements.

There were no unexplained entries in the bank reconciliations.

I have noted the major expenditure, £25k gross, during 2018-19 on play equipment part funded by grants from Maidstone BC, Kent Playing Fields and Kent CC.

The Council's budget as adopted for 2019-20 does not comply fully with the requirements set out in s50 Local Government Finance Act 1992. Among other things s50 requires, as part of the budget process, the Council to calculate its estimated receipts apart from the precept. Section 50 also requires calculations for estimated expenditure and transfers to and from reserves. Taken together these calculations produce the net funding requirement (the precept).

The Council does not have a written contract of employment with its Clerk. Whilst not compulsory a written contract is recommended by various bodies including ACAS. Both ACAS and the National Joint Council for Local Government Services (known as NJC) have model templates for what should be included in the written contract.

I have nothing further to report.

Lionel Robbins
Independent Internal Auditor
08 May 2019