

**INTERNAL AUDIT REPORT**  
**For the year ended 31<sup>st</sup> March 2018**

To

**Ludford Parish Council**

I have carried out an internal audit in accordance with the Council's needs, and in line with the Internal Control Objectives listed in the annual return for Local Councils in England.

**Internal Audit Opinion**

In my opinion the controls in place were sufficient for the Council's purposes during 2017/18 however, there are areas where improvement can be made for the future.

**1. Cash book**

The Clerks cash book did not reconcile to the bank statements and this was reported to The Council. It has been examined and the errors causing the discrepancy have been identified and the cash book reconciled.

It would be beneficial if the cash book (spreadsheet) could also show an analysis of the type of expenditure, especially in separating general fund expenditure from expenditure funded from other funds such as the transparency fund.

**2. Vat claim**

Vat was not reclaimed from HMRC in 17/18 and hence when the VAT reclaim is made this year it should include the vat expenditure for 16/17 and 17/18 which totals £ 173.62

**3. Assets**

The new assets obtained in 2017/18 should be added to the insurance policy if they have not already been added. ( i.t equipment and new notice boards )

**4. Transparency fund**

The transparency grant has been added to the fund and the i.t equipment, clerks time and hosting costs charged to it. An estimate of the interim clerks time has also been charged to the transparency fund.

The Transparency fund therefore has a remaining balance at 31<sup>st</sup> march 2018 as follows-

Open		£ 1,209.81
Add grant		£ 400.08
Less i.t equipment	-£ 519.82	
Less clerks time	-£ 282.84	
Less interim clerks time	-£ 300.00	
Less hosting	-£ 14.98	-£ 1,117.64
Carried forward		£ 492.25

#### 5. Environment fund

The grass cutting and new notice boards have been charged to the environment fund.

The environment fund therefore has a remaining balance at 31<sup>st</sup> March 2018 as follows

Open		£ 3,000.00
Add grant		£ 565.74
Less grass cutting	-£ 250.00	
Less notice boards	-£ 812.00	-£ 1,062.00
Carried forward		£ 2,503.74

#### 6. Total Assets and fund

On 31<sup>st</sup> March 2018 the Councils funds stood at

Bank account 1	£ 133.61	
Bank account 2	£ 5,897.71	
<u>Total assets</u>		<u>£ 6,031.32</u>

Funded by		
General fund		£ 614.11
St lighting	£ 1,521.22	
Elections	£ 900.00	
Environment	£ 2,503.74	
<u>Transparency</u>	<u>£ 492.25</u>	<u>£ 5,417.21</u>
<u>Total funds</u>		<u>£ 6,031.32</u>

#### 7. Asset and registers.

Although the Council has very few assets, and they are inspected at intervals and repairs made, there is not a specific repair and replacement program. It should also be noted that the street lights should also have an regular inspection regime.

**It is recommended that:** the Council reviews its assets and considers potential future repair or replacement costs and ensures that adequate reserves are held.

#### 8. Petty cash


The Council does not operate a petty cash system and hence this area of control has not been examined in the course of this audit.

**It is recommended that:** The council does not introduce a petty cash system.

Please note that the above recommendation is to formally record areas that may already be taken into consideration by the Council, but such recording contributes to demonstrating good corporate governance by the Council.

Audit and report prepared by

Kevin Lawrence AdamsBsc



Date

05/06/18