

Internal Audit Report for Hilldale Parish Council – Year Ended March 2019

Opening Statements

The books of account and subsequent schedules are maintained to a high standard and provided a clear audit trail.

The audit concentrated on the adequacy of internal controls as outlined in the Financial Regulations, but did not exclude conducting detailed checks of the books of account and this included the following:

1. Annual Precept
2. Bank Reconciliations
3. Expenditure documentation (invoices) with a 100% check being undertaken
4. Income analysis and supporting documentation
5. Budget documentation
6. Fixed Asset Schedules

Causes for Concern

None.

Points to Note

The following points should be noted for future years to ensure full compliance with the Financial Regulations:

1. Banking arrangements should be reviewed on a regular basis and a minute to that effect included in the council minutes (Financial Regulations 6.1).
2. Parish Council assets should be reviewed and agreed on a regular basis and a minute to that effect included in the council minutes (Financial Regulations Section 12).
3. Standing Orders should be reviewed on a regular basis and a minute to that effect included in the council minutes.

Good Practices

See list on page 2 of this report.

Summary

The accounts are maintained to a high standard and provide an excellent audit trail through to the final accounts and associated schedules including:

1. Income and Expenditure Account
2. Cash Flow Budget
3. Monitor of actual performance to budgeted precept
4. Asset Register



Good Practices

The following points were noted:

1. Annual Precept of £14554 was prepared in detail and approved at a council meeting held on the 4th January 2018 (Financial Regulations paragraph 2.3 – Council Minutes item 8).
2. Annual Accounts to 31st March 2018 were circulated and approved at a council meeting held on the 10th May 2018 (Council Minutes item 12).
3. Internal Auditor's Report for the year ending 31st March 2018 was approved at a council meeting on the 10th May 2018 (Financial Regulations 4.6 – Council Minutes item 13).
4. Council minutes on the 10th May 2018 stated that last year's Annual Return and Certificate had been seen by the Parish Councillors and that they had been approved and accepted (Financial Regulations paragraph 4.3 – Council Minutes item 12).
5. The RFO has confirmed that the actions requested by the external auditor in relation to last year's audit have been carried out
6. Annual VAT return was completed, submitted and refund payment received (Financial Regulations paragraph 9.4).
7. Monthly bank reconciliations are completed by the RFO and are then approved and signed at the relevant council meetings.
8. Budget reports are completed by the RFO on a regular basis and are then approved and signed at relevant council meetings (Financial Regulations Section 3.3).
9. Monthly Schedules of Payments requiring authorisation have been prepared and where authorised a minute has been included in the minutes of that month's council meeting (Financial Regulations 6.2).
10. Cheque stubs are initialled by the cheque signatories (Financial Regulations 6.5 and 6.6).
11. Income is collected in a timely manner and deposited with the Council's bankers (Financial Regulations 9.2 and 9.3).
12. The clerk's contract and salary were reviewed and approved at council meetings on the 10th May 2018 and 7th March 2019 (Financial Regulations 8.1 – Council Minutes item 14).
13. Fixed Asset Register has been seen, but see point 4 above under "Points to Note". Ansvar insurance policy (P/N CPW000723) is in place for Public Liability, Employers' Liability and asset insurance (Financial Regulations paragraph 13.1 and 13.2).
14. Financial Regulations were approved at a council meeting on the 10th January 2019 (Financial Regulations paragraph 14.1 - Council Minutes items 11).
15. Financial regulations (sections 10 and 11) show that a tender process has been documented.
16. Risk Assessment Strategy was approved at a council meeting held on the 10th January, 2019 (Financial Regulations paragraph 13.1 – Council Minutes item 12).
17. Appointment of the Internal Auditor was approved at a council meeting held on the 10th January 2019 (Financial Regulations paragraph 4.4 – Council Minutes item 13).
18. Terms of Reference for the Internal Auditor was approved at a council meeting held on the 10th January 2019 (Financial Regulations paragraph 4.4 – Council Minutes item 14).