

Great Milton Parish Council – Internal Audit Report (18-19)

As the authority's internal auditor I have acted independently and on the basis of an assessment of risk have carried out a selective assessment of compliance with relevant procedures and controls in operation during the financial year ended 31st March 2019. The audit has been carried out with the authority's needs and planned coverage.

Please see below summary of how the authority has complied with the Internal Control Objectives listed in the Annual Audit Report 2018-19:

Appropriate accounting records have been properly kept throughout the financial year:

Council has kept appropriate accounting records throughout the financial year. There are copies of all the Bank Statements in the shared files and all receipts and payments have been listed in the cash book. I have done a number of spot checks and have been able to reconcile all of the items checked to the bank statements without any exceptions. The payment notes give the cheque number which can then be easily reconciled bank to the bank statement for example.

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for:

Council has complied with its financial regulations. One example of this is in the appointment of an internal auditor who is both competent and independent of the financial operations of the council. All payments have been supported by an invoice and were approved by an appropriate signatory. I have checked this by taking a sample of payments listed on the bank statement and ensuring there is an invoice to match with an appropriate signatory.

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these:

The Council undertakes a regular assessment of the risks which might impact on their activities or prevents them from meeting its objectives. A Risk Management document has been produced which identifies key risks and the controls which have been put in place to reduce or stop the risk (such as having adequate insurance for example). The last Risk Document was approved on the 19th March 18 and a revised version is currently being put together.

The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate:

When calculating the requirement for the precept the value of existing funds was considered in conjunction with the budgetary requirements for the forthcoming year. The proposed budget for 18-19 was reviewed in detail and specific requirements were set out. All items of income and expenditure were identified as part of this exercise. The budget was then reviewed regularly and any variances were highlighted and explained.

Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for:

All items of income were based on correct prices, properly recorded and promptly banked. Each payment has been listed in the Cash Book under 'Receipts'. I have done a number of spot-checks and have been able to match a sample of the payments listed in the cash book to those on the bank statements. Can also confirm that these were banked promptly. All income based on correct prices (different rates for allotment plots for example). Council is not registered for VAT so no VAT charged on sales.

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for:

Council does not make petty cash payments so not applicable.

Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly carried out:

In 18-19 Tim Darch was again the Council's Finance Officer and sole paid employee. Tim's salary is in line with the agreed budget and is paid by cheque each month. The terms and conditions of the contract are clearly set out in the electronic files. Both PAYE and NIC have been properly operated by the Council. This has been fully documented in the shared files and has been tested accordingly. There are no other payments made to employees.

Assets and investment registers were complete and accurate and properly maintained:

The Council's Fixed Asset Register has been updated for 18-19. This lists all of the assets which are owned or in their care (with appropriate value). Total value of assets at 31st March 19 was £3,166.08 so relatively low. Details of the sale on assets have also been documented. The Register was updated in March 19 so is up to date for all intents and purposes. As per last year the asset insurance valuations agree with those in the register.

Periodic and year end bank account reconciliations were properly carried out:

I have checked that the movement between the opening and closing balances reconciles back to the difference between receipts and payments made in the financial year. At the start of the year there were two separate bank accounts with Lloyds and Santander. These have now been amalgamated into one account with Lloyds. The Bank Account (s) are reconciled monthly and all outstanding lodgements and unrepresented cheques have been accounted for.

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agree to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded:

The accounting statements have been prepared on a receipts and payments basis in line with Parish Council regulations. A full reconciliation has been carried out to make sure that the cash book does balance back to the accounting statements which has been tested rigorously. This is backed up by a robust audit trail provided by the financial records behind the accounts. There are no major debtors or creditors outstanding.

Summary

The Council has again demonstrated that it has strong internal controls in place and is managing its activities and procedures efficiently and effectively.

Matthew Hale

Internal Auditor

17-05-19