

ANGMERING PARISH COUNCIL

INTERNAL AUDIT REPORT

FOR THE YEAR ENDED 31 MARCH 2017

INTRODUCTION

An internal audit of the Parish Council's financial records for the year 2016/2017 has recently been completed. The audit included all financial transactions for the period 1 April 2016 to 31 March 2017 inclusive.

The audit was undertaken in compliance with the requirements of the Accounts and Audit (England) Regulations 2015, and in accordance with the agreed and accepted Audit Plan.

Regulation 3 of the Accounts and Audit (England) Regulations states that the Parish Council must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk

Regulation 5 of the Accounts and Audit (England) Regulations states that the Parish Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and any officer or member of the Parish Council, if required to do so for the purposes of the internal audit shall -

- (a) make available such documents and records; and
- (b) supply such information and explanations;

The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

SCOPE

The audit included examination of the income and expenditure account for the year, detailed inspection of the trial balance and nominal ledger, review of bank statements and online payment authorisation sheets, review of supplier invoices, review of receipts, review of petty cash, review of agendas and minutes of meetings, review of budgets, review of fixed asset register and insurance policy, review of payroll, and confirmation that bank reconciliations and reports are prepared regularly and reviewed at meetings of the Parish Council.

The Council accounts are prepared using SAGE.

FINDINGS

- 1) Points raised in the annual audit report for the year to 31 March 2016 had been actioned by the Parish Council.

- 2) The fixed asset register and insurance cover had been reviewed and updated.

- 3) Monies paid and received during the year have been accurately recorded and reconciled to the bank and cash balances.
- 4) I identified a few mispostings in the SAGE nominal ledger
 - one of the SAGE monthly payments was posted to IT Support
 - a payment to the Land Registry was posted to stationery and consumables
 - the refund for the floor was posted to routine maintenance, but the original cost was posted to buildings improvements
 - one of the payments for toilet hire (1 April 2016) was posted to Maintenance contract general rather than to events (it was for the BMX meeting).None of these impact on the presentation in the accounts, or on the annual return

- 5) The Parish Council Governance Framework (incorporating standing orders, financial regulations, risk management and internal controls) were reviewed and updated in the year.

- 6) I reviewed the Parish Council website to confirm that the Transparency Code had been complied with – the links to the committee meeting reports was not working. The transparency information only showed the accounts for the year to 31 March 2014 – and that link was also not accessible

SUMMARY AND OPINION

One of the functions of internal audit is to give assurance to members of the council that the financial systems are operating correctly, and can be relied upon.

In connection with my examination, and having regard to the items reported herewith, no matter has come to my attention that gives me reasonable cause to believe in any material respect that the regulatory requirements have not been complied with.

The accounting arrangements, procedural controls, records and documentary evidence are considered to be satisfactory, and accurately record the Council's financial position. The clerk is efficient and experienced, and as a result, the records are neat, accurate and well-ordered.

Rachel Hall (ACA)
2 May 2017