

# Annual Internal Audit Report 2018/19

## SWALLOWCLIFFE PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)	✓		
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			Not applicable ✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

22/4/2019

NICOLA PHILLIPS

Signature of person who carried out the internal audit

*[Signature]*

Date

22/4/19

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

23<sup>rd</sup> April 2019

## Report for Councillors

### Internal audit report from Mrs Nicola Phillips

- a. The cheque book stubs need to be initialled by the persons signing the cheques.
- b. Concerns that the Parish Council have reduced their precept. When considering the Parish Council budget/precept it is normally guaranteed that there will be an annual increase in costs for insurance, memberships, hall hire, training and other services that County Council's may no longer provide. The Council also have a duty to allocate funds for local elections, as they do not always come around every 4 (5) years. If there is a vacancy on the Council and more than one person comes forward to fill the one chair and the village request an election, it may result in a local election, which will cost up to £2000.00. My concern is that next year when the Parish Council look at their budget, they may need to increase the precept by a large amount to cover the Parish Council costs, it may be, that in future years, Central Government may fix the percentage of increase for Parish Council's (which has been done in previous years) and a 3% increase on your precept of £6293.00 will only increase funds by £188.79 for the year.

The Council must also have a contingency amount of 10% of their precept allocated in the budget.

Grant funding needs to come under S137 money (separate heading) the Council has the power of Section 137 of the Local Government Act 1972; it is worked out by multiplying £7.86 by the total number on the electoral role on 1 April. This is the maximum amount that the Council can give under S137 grant funds.

Mrs Nicola Phillips