

**REPORT BY THE INTERNAL AUDITOR  
FINANCIAL YEAR ENDING 31 MARCH 2018**

**Internal Auditor's Certification to Caldbeck Parish Council**

The Accounts and Audit (England) Regulations 2014 part 4 requires a Council to display (for a period of 14 days prior to 30<sup>th</sup> September), the Notice of Conclusion of Audit, and the relevant sections of the Annual Return in one or more conspicuous places/s, other than the minutes, advising the public that the audit has been completed.

The clerk has undertaken the requirement and the Council has complied with the requirements of the Account and Audit Regulations.

The Council received an unqualified audit from the External Auditor. Minor matters required to be brought to the attention of the Council arose from a recording error and did not affect the accuracy of the account. It was confirmed the Accounts and all governance documents fulfilled the requirements of the Account and Audit Regulations.

The Council duly received notice of the completion of Audit at the Meeting held on 10<sup>th</sup> October 2017 Minute No. 16/10/17. 14a.

I confirm I have, on the 27<sup>th</sup> April 2017 undertaken an internal audit for the period 1<sup>st</sup> April 2017–31<sup>st</sup> March 2018 in accordance with the Account and Audit Regulations (England) 2015 as previously approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2018

Documented below are the areas covered in the audit.

**1. Proper Bookkeeping**

The Council operates Receipts and Payments Accounts as required by the Regulations. The Cashbook is maintained and up to date. There were no arithmetical errors and there is a clear audit trail and a checking system. Backups of the system are carried out.

**2. Standing Orders/Financial Regulations/Transparency Code**

The Council has reviewed and formally adopted Standing Orders and Financial Regulations at the meeting held on 27<sup>th</sup> February 2017 Minute No. 27/2/2017 a)

**3. Invoice procedure**

There is a clear audit trail from the financial records, supported by invoices and all payments are authorised and duly recorded in the minutes.

All payments were checked and adhered in internal financial control procedures.

#### **4. VAT**

Vat has been recorded and the correct sum of £259.29 has been identified for the period 1<sup>st</sup>.April 2017 to 31<sup>st</sup> March 2018 and a claim has been submitted. The accuracy of the figure is confirmed by the audit trail to the cashbook.

#### **5. Sct 137 Payments**

There is a statutory requirement to maintain 'a separate account' of expenditure under Local Government Act 1972 section 137 by the inclusion in the cashbook of a separate accounting column. The sums granted under this power are well within the 2017/18 limit for Caldbeck Parish Council.

#### **6. Risk Management**

The Council annually reviews all risks to which the council is exposed. The Risk Assessment document was received, approved and adopted by the Council at the meeting held on 26<sup>th</sup> February, 2018 Minute No – 15

#### **7. Internal Financial Controls**

There is clear evidence by checks, dates and signatures on relevant documents e.g. invoices, financial statements, schedule of payments, bank reconciliations, and chequebook stubs that the Council is in control of the use of public monies. Internal Financial Controls are documented and were reviewed and adopted at the meeting held on 26<sup>th</sup> February 2018 Minute No. 15

#### **8. Register of Interest**

Members have duly completed the Register of Interests and fulfilled their obligation to update the details annually. All members notify and record as appropriate at each meeting where there is a disclosable pecuniary interest.

#### **9. Budgetary Control**

A correct budget process is in place and the budget is monitored quarterly. The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the RFO enable the council to readily address any budget under/overspends and if necessary make the relevant virements.

#### **10. Cash Balances at the Bank**

It is a requirement of internal audit to express a view on whether the cash reserves of the council are adequate or excessive. The balance is adequate to meet the future budgeted undertakings of the council. The donation for the Heskett Lonning is appropriately earmarked and is restricted to that purpose.

#### **11. Income Controls**

All income is properly recorded and promptly banked and adequate measures are in force to ensure security. All allotment fees have been collected.

## **12. Petty Cash**

The Council does not operate a petty cash system but the Clerk's expenses are reported to the relevant meeting.

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed if appropriate.

## **13. Payroll Controls**

PAYE/NIC records are recorded and the necessary payments are forwarded to HMRC to meet required deadlines. The payroll is operated externally and checked for accuracy by the RFO.

## **14. Asset Control**

There exists an extensive register of all material assets in control of the Council. The register is up to date and was reviewed and adopted at the meeting on 26<sup>th</sup> March 2018 Minute 14. All assets are adequately covered by insurance.

The assets remain at historical value on the asset register to ensure compliance with Account and Audit Regulations in the Annual Return.

## **15. Bank Reconciliation**

The Bank Reconciliation accurately records the bank balances to the cashbook as at 31<sup>st</sup> March 2018. The validity of the submitted information is confirmed by a member on the respective bank statement.

## **16. Year End Accounts**

Calbeck Parish Council's Accounts are prepared as Receipts and Payments as required by the Audit Regulations.

I report as follows and confirm that the Council is fully compliant with the Account and Audit Regulations and there are no matters to bring to the attention of the Council.

I express my appreciation to the Clerk/RFO for the simplicity of the presentation of the required documentation, which has greatly assisted the ease with which the audit could be completed.

I conclude and report that the Clerk/Responsible Financial Officer (RFO) has maintained a high standard of recordkeeping, which has simplified the audit process. The Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records.



**Georgina D Airey – Internal Auditor. 27<sup>th</sup> April. 2018**