

Internal Audit Service

Report for Uffington Parish Council

Statement and matters arising 2017/2018

The Internal Audit was carried out at all times within the guidelines of the Governance and Accountability for Local Councils – A Practitioners Guide 2017.

The following functions of the Council were examined carefully and evidence found that these functions were performed satisfactorily on behalf of Uffington Parish Council:

- proper book keeping
- budgetary controls
- payment controls
- income controls
- bank reconciliations
- year-end procedures
- payroll controls
- administration procedures

In addition it was found that Standing Orders, Financial Regulations and Risk Management Report were up to date and referred to regularly and appropriately.

All accounts data is processed by a spreadsheet which is comprehensive, accurate and perfectly adequate for this Council. It is my opinion that this spreadsheet system being used for the accounts is fit for purpose for Uffington Parish Council.

Uffington Parish Council had a precept of £20,000 which it appears to use with a well thought out budget. Receipts and expenditure were greatly enhanced this year with the provision of S106 funds. As reported last year the parish has the benefit of a CiLCA trained Clerk and from February 2016 has been able to use the General Power of Competence. .

Six audit trails were performed with no problems uncovered within this sample. I note that sometimes it is difficult to obtain the required number of quotes but Uffington Parish Council appear to take the trouble to obtain as many quotes and as much information as is needed to fund the project or service. I was also pleased to note an annual review of contracts and leases, which will continue to ensure the Council gets the best value for money services for their residents.

Uffington Parish Council appears to be a very proactive Council, with much consideration and regard for the residents of the parish. They appear an efficient and well run Council who work hard on all the local government processes and procedures.

Therefore any recommendations I advise will be based on good practise to enable the Council to work even more efficiently and effectively throughout all its processes and procedures.

I will start with a review of my recommendations over the last two years and comment on any outstanding issues.

Review of Recommendations from the Internal Audits for 2015/2016 and 2016/2017 and any actions taken or outstanding

	Matters Arising	Action outstanding
1	Review of the effectiveness of the Internal Auditor	No record in the minutes of this being performed over 2015/2016 or 2016/2017 or 2017/2018.
2	Minutes (a) Budget Monitoring not included in the minutes (b) Expenditure agreed in the minutes did not have the power to spend added to that minute. (c) AOB is included in your minutes	(a) There now appears to be a monthly monitoring report which is excellent. (b) General Power of Competence for Uffington Parish Council from February 2016. (c) Now removed
3	Procurement and contracts	Annual review of contracts now in place.
4	VAT	I understand that the Council decided not to de regulate and the reasons for doing so.
5	Cheques for approval of suppliers invoices	I suggested last year that it is good practice for the Councillors signing the cheques to initial the invoices. On the sample I looked at some were initialled and some not.
6	Expenses Payments	Receipts of petty cash expenses still not clipped to expense payment requests.

For 2017/2018 I have just one further matter arising.

	Matters Arising	Recommended Action
1	No record of the Internal Auditor's report having been discussed at Council meeting and consequently no discussion on recommendations suggested.	As this has always been reported on in your Council meeting (usually when agreeing the Annual Return) I was surprised to see that the item was not included in the minutes this year. As you will need to find another Internal Auditor next year could I suggest that you review what you want and need from an Internal Auditor and review how effective the system has been for your Council over the last few years.

These matters above should be reported at the next available meeting of the Parish Council and any decision taken should be minuted.

Signed..........Patricia Ingham

3rd April 2018

Internal Audit Service for Uffington Parish/ Town Council

Audit Service Programme

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the 2017 edition of "Governance and Accountability in Local Councils in England and Wales - A Practitioners Guide".

Signed.....*Pa Ingham*.....Date *3/5/2018*

1 Internal Control	2 Tests	3 Yes No	4 Date Reference	5 Comments
Previous Internal Audit Report	Do the minutes record that Council has considered the internal Audit Report for the previous year & the matters arising addressed?	No		
Governance Arrangements	Are the Standing Orders and Financial Regulations current & approved by full Council?	Yes	March 2017	Will need to be reviewed May 2018 to reflect changes in legislation
	Do all Cllrs have a copy?	Yes		
	When is next review?			
Council meetings	Are there Terms of Reference for each committee?	No		No committees
	Are all minutes approved, signed & decisions recorded	Yes		
	Is there public participation?	Yes		Called Open Forum
Anti -Fraud	Is there an anti- fraud policy?	No		Within Financial Regulations and Risk Assessment
	Have all Cllrs a copy of Code of Conduct?	Yes		
	Have all Cllrs recorded their Interests for the register? Is there a record of disclosable interest from meetings?	Yes Yes		On Vale Website In minutes
Appropriate Accounting Records and bookkeeping	Is there a gifts & hospitality register	No		N/A
	What system is used? How is it kept up to date? Who has access to passwords		Spreadsheet Input monthly Computer Password protected	
	Is the cash book/ accounting system maintained and up to date?	Yes		
Financial Regulations	Is the cashbook/accounting system regularly balanced with the bank statement?	Yes		
	Has a Responsible Officer been appointed?	Yes		

	Are Financial Regulations supported by working procedures?	Yes		
	Are authorisation protocols clearly defined and adhered to?	Yes		
	Are officers & Cllrs trained? Is there a training register?	Yes No		
	Are there any loan commitments? Is the schedule up to date?	No		
	Have items or services above a de minimis amount been competitively purchased?	Yes		
	Are payments in the cashbook supported by invoices and have they been authorised and minuted?	Yes		
	Has vat on payments been identified, recorded & claimed?	Yes		
	Is section 137 expenditure separately recorded & within statutory limits?	N/A		Now operate within General Power of Competence
Risk Management Arrangements	Does a scan of the minutes identify any unusual activity?	No		
	Do the minutes record the Council carrying out the annual risk assessment?	Yes	March 2018	
	Is insurance cover appropriate & adequate?	Yes		Reviewed annually
Internal Control	Are internal financial controls documented & regularly reviewed?	Yes		In FR & RA Recommend Independent Control
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	Yes		
	Is actual expenditure against the budget regularly reported to Council?	Yes		
	Are there any significant unexplained variances from budget?	No		Very large variances this year but all explained
Income Controls	Is income properly recorded & promptly banked?	Yes		
	Does the precept recorded in the cashbook agree to the District Council's notification?	Yes		
	Are security controls over cash adequate & effective?	Yes		
Petty Cash Procedures	Is all petty cash spent recorded & supported by vat invoices/receipts?	N/A		No petty cash Expenses only
	Is petty cash expenditure reported to the Council?			

	Is petty cash reimbursement carried out regularly?			
Payroll Controls	Do salaries paid agree with those approved by the Council?	Yes		
	Are other payments to the Clerk reasonable & approved by the Council?	Yes		
	Has PAYE/NIC been properly operated by the Council as an employer?	Yes		
	Are there pension records in place?	Yes		
Assets Control	Does the Council keep an assets register of all material assets owned?	Yes		
	Is the register up to date?	Yes		
	Do asset valuations agree with those in the register?			
Bank Reconciliation	Is there a bank reconciliation for each bank account?	Yes		
	Is the bank reconciliation carried out regularly on receipt of the statements?	Yes		
	Are there any unexplained balancing entries in the reconciliation?	No		
Year End Procedure	Are year end accounts prepared on the correct accounting basis?	Yes		
	Do accounts agree with the cashbook?	Yes		
	Is there an audit trail; from underlying financial records to the accounts?	Yes		
	Where appropriate have debtors & creditors been properly recorded?	n/a		