

THRYBERGH PARISH COUNCIL

INTERNAL AUDIT REPORT 2018/2019 FINANCIAL YEAR

- 1 I have completed an audit of the internal controls of Thrybergh Parish Council in respect of the financial year ended 31st March 2019. Having completed the audit, I have been able to sign the Annual Report by the Internal Auditor in accordance with the requirements of the Local Audit and Accountability Act 2014 (The Accounts and Audit Regulations 2015) and in so doing have noted that the Council conducts its affairs in a sound manner.

This financial year has been one of change for the Parish Council with the appointment of a new Clerk in the Winter 2018/19.

2. In carrying out the audit I have followed the suggested approach to Internal Audit Testing as defined by the National Audit Office and can confirm that I have acted independently in carrying out the Audit.

3. Internal Control 1 - Proper Book-keeping

- (a) Is the cashbook (receipts and payments) maintained and up to date?

Yes. The Accounts continue to be kept in good order throughout the year with a good system of cross-referencing.

- (b) Is the cash book arithmetic correct?

Yes. An arithmetical check has been carried out in accordance with the recommendations of audit practice.

The Parish Clerk/Responsible Financial Officer should ensure that the cash book is balanced with the bank statement once per month.

4. Internal Control 2 - Standing Orders, Financial Regulations and Payment Controls

- (a) Has the Council formally adopted Standing Orders and Financial Regulations?

Yes. The Parish Council continues to operate based on a comprehensive set of Standing Orders and Financial Regulations. These documents are reviewed on a regular basis.

- (b) Has a Responsible Financial Officer been appointed with specified duties?

Yes, the Clerk is also fulfilling the role of Responsible Financial Officer and there is reference to the R.F.O.'s specific duties in the Financial Regulations.

- (c) Have items or services above a de-minimis amount been competitively purchased?

Yes. There is no evidence to suggest that the Council is not achieving good value for money from its contracts for the supply of goods or materials, or for the execution of works.

- (d) Are payments in the cashbook supported by invoices, authorised and minuted?

Following a complete review of the financial records it is evident that payments are supported by invoices, authorised and are recorded in the minutes of meetings appropriately.

The 'Receipts and Payments' book is kept up-to-date. Cheques which are issued are recorded when cashed, so that the Clerk can regularly, by contacting the bank, know exactly the amounts in the bank and also the cheques issued but not yet presented.

The Parish Council is now making more use of the BACS payment method.

- (e) Has VAT on payments been identified, recorded and reclaimed?

Yes. As part of this internal audit, the VAT on payments has been identified and recorded correctly in all cases. It is also appropriate to note that the claims for VAT repayment continue to be made in a very good, accurate and timely manner.

- (f) Is Section 137 expenditure separately recorded and within statutory limits?

There is a good process for separately recording Section 137 expenditure. The overall total amount of Section 137 expenditure remains within the statutory limits.

5. Bank Accounts

The Parish Council banks with the Co-operative Bank and also has an account with the HSBC bank. Every effort should be made to ensure that the signatories to the bank accounts are up-to-date.

6. Wages

Appropriate records are maintained for each employee. The correct amounts have been paid, including payments to HM Revenues and Customs. As part of this internal audit, these amounts have been checked and have been found to be correct. There continues to be the 'real time', immediate reporting of wages payments, as required by HM Revenues and Customs.

There are also the appropriate employer and employee contributions being made to the South Yorkshire Pension Fund each month.

7. Financial Year End

A Statement of Accounts is produced for the External Auditor, which shows last year's figures (2017/18), as well as this year's (2018/19). A summary is also produced, recording the Parish Council's bank accounts and the individual balances at the end of the financial year.

8. Risk Management Arrangements

The carrying out of an annual risk assessment is part of the arrangements for Corporate Governance and appropriate records are kept and reviews undertaken.

It is evident that insurance cover is reviewed on an annual basis and the insurance policy is kept up to date.

9. Recommendation

The Parish Clerk/Responsible Financial Officer should ensure that the cash book is balanced with the bank statement once per month.

10. Conclusion

I would like to thank the Parish Clerk for his help and co-operation with the Audit and also to his predecessor as Parish Clerk, who provided additional assistance. There are no specific items on which I wish to submit a special report.

Richard Bellamy
Internal Auditor
22nd May 2019