

**AUDIT REPORT BY THE INTERNAL AUDITOR – DENT PARISH COUNCIL**  
**PERIOD 1<sup>ST</sup> APRIL 2018 – 31<sup>ST</sup> MARCH 2019**  
**FINANCIAL YEAR ENDING 31 MARCH 2019**

### **Introduction**

The Parish Council has a statutory responsibility to provide an adequate and effective Internal Audit by engaging an Internal Auditor ensuring “competency and independence from the Council”. The role of the Internal Auditor is to provide an independent review and appraisal of the Council’s system of internal control.

### **Responsibilities**

#### **Internal Auditor**

The Internal Auditor will fulfil the obligations to the council by

- undertaking a review of all internal financial and governance documents in accordance with “Governance & Accountability for Local Councils” Part 2.74 submitting a report to be presented to Council detailing findings and recommending measures to ensure compliance with the Account & Audit Regulations as amended at the time.
- signing the assurance document in the Annual Governance and Accountability Return.

#### **Council**

The Accounts and Audit Regulations 2015, Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities requires that a Council **must** make arrangements for the exercise of public rights

- on completion of approving the sections in the AGAR publish, on notice board/s and **on a website**, the relevant documents as specified in regulations for a period of 30 days, one day prior to the statutory period which must include 2<sup>nd</sup> to 13<sup>th</sup> July.
- on completion of the External Audit publish, on notice board/s and **on a website**, the Notice of Conclusion of Audit and signed External Audit report for a period before 30<sup>th</sup> September.

#### **Responsible Financial Officer (RFO)**

To ensure the Council can fulfil its statutory obligations the RFO must.

- prepare expediently the Annual Statements of Accounts for the financial year ending 31<sup>st</sup> March.
- present the accounts and the completed Section 1 and 2 of the AGAR. All of which must bear his/her signature prior to presentation
- ensure The Annual Governance Statement is approved at a full council meeting prior to approving the Accounting Statements, at the same or subsequent meeting.
- ensure all approvals are recorded in the minutes and completed before 30<sup>th</sup> June in the financial year.

- Confirm at the appropriate times all publication requirements have been publicly displayed.
- Include on the agenda the completion of audit report and any matters arising and subsequent publication completion.

The Council received an unqualified External Audit report confirming that the council had fully complied with the Regulations. Minor matters, which were required to be notified to the council, did not undermine the accuracy of the governance documents or accounts.

I confirm I have, on the 21<sup>st</sup> May 2019 undertaken an internal audit for the period 1<sup>st</sup> April – 2018 - 31<sup>st</sup> March 2019 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2018

### **1. Proper Bookkeeping**

The Council operates Receipts and Payments accounts as required by the Regulations. The Quick Books accounting package records receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector. All data is backed up to an external hard drive. Additionally records are stored on a Cloud server.

### **2. Financial Regulations, Standing Orders,**

The NALC model documents were used to draft Financial Regulations and Standing Orders tailored to the requirements of the Council. The documents were received, approved and adopted at the meeting held 14<sup>th</sup> May 2018. Standing Orders - Minute No 33. Financial Regulations – Minute No 34

### **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. A random check was made of all payments to date above £1000. Confirmation was given that good practice exists to ensure that expenditure is monitored to ensure all are competitively purchased and the Council adheres to the principle of Best Value.

Burton Turf Care	Grass Cutting	£2588.40
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### **4. VAT**

VAT has been identified on purchases for the period 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019, which is verified by the Quick Books system.

## **5. Sct 137 Payments**

The RFO has identified and adhered to the 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. No expenditure under this Power has been incurred in the current financial year.

## **6. Risk Management**

The Risk Register was received, approved and adopted at the meeting held on 14<sup>th</sup> May 2018. Minute No. 29 and reviewed and monitored throughout the year.

## **7.Minutes/Internal Financial Controls**

The Minutes clearly documents the activities of the Council and there is no evidence of unusual financial activity. The minutes are numbered and verified as a true record by the signature of the chairman, with date, on the final page.

## **8. Register of Interest**

Members have duly completed the Register of Interests and fulfilled their obligation to keep it updated.

## **9. Budget Control**

A correct budget process is in place and the budget is regularly monitored. Forecasting over-budget spending identifies variances, which are addressed by virements or transfers from cash reserves.

## **10. Cash Balances**

The cash balance at the bank of £46232. is considerably higher than audit guidance. (six months to twelve months expenditure)

The RFO advises that there exists within the balances significant earmarked sums for projects identified by the community.

## **11. Income Controls**

All income is recorded and promptly deposited at the bank.

## **12. Petty Cash/Clerk's Expenses**

The Council does not operate a Petty Cash Account.

All spending under Clerk's Expenses is notified to and approved by Council

Sums drawn are allocated to the appropriate budget head.

## **13. Payroll Controls**

All PAYE/NIC records are up to date and submissions to HMRC are made in real time online.

#### **14. Asset Control**

The Asset register records all acquisitions and disposals throughout the year (if appropriate) The sum of £172441 is accurately recorded in the AGAR and adequately covered by insurance.

#### **15. Bank Reconciliation**

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries. The signature of a member on the respective bank statement confirms verification of the information presented by the RFO.

#### **Conclusion**

I confirm that Dent and Cowgill Parish Council is fully compliant with all statutory obligations under the Account and Audit Regulations and the Transparency Code.

In concluding the report I acknowledge the assistance of the Town Clerk/Responsible Financial Officer for his assistance with queries and the thorough preparation and availability of all documents, which expedited the audit process as a result of accurate and transparent records.



**Georgina D Airey**  
**Internal Auditor – 23<sup>rd</sup> May 2019**