

ALISON HILLMAN

31 Banner Way, Stone Cross, Pevensey, East Sussex BN24 5FE

Tel 01323 460007 or 07501 676 569

e-mail alison.hillman@aol.com

SALEHURST AND ROBERTSBRIDGE PARISH COUNCIL

Internal Audit – 31st March 2015

Introduction:

1: In accordance with my Internal Audit Plan, Controls and Procedures have been tested, with Fraud and Risk Issues reviewed - these are well managed, in line with the Governance and Accountability for Local Councils Practitioners' Guide (GALCP) and meet the needs of the Council. I confirm that I do not have any role within the Council and will carry out my duties without bias. I would only comment by exception – the points listed below need further attention:

Audit:

2: End of Year Accounts 2014/2015 – The accounts are accurately presented and easy to understand. Income and Expenditure is properly recorded and the information produced is accurate and comprehensive. Bank reconciliations take place, are checked against the supporting documents and were found to be correct. Figures in the end of year return are supported by the accounts. S137 expenditure is recorded separately and is within the statutory limits.

3: Standing Orders/Financial Regulations – Standing Orders have been adopted and were last updated in 2012. The Financial Regulations were adopted in 2009. A review of both the Standing Orders and Financial Regulations is recommended.

4: Risk Assessment – Risk Assessment exercises of the Parish Council's assets and its financial controls are carried out annually. It is recommended that the Parish Council carries out a Financial Risk Assessment.

5: Insurance – The Parish Council's Insurance has been renewed recently and is now with Zurich. Zurich specialise in Parish Council policies.

6: Asset Register – The asset register is updated regularly. A light review is recommended to show the location of the assets and the deeds.

7: Budgetary Control – Annual reports are prepared in support of the precept, actual expenditure is compared with the budget and any significant variances are explained. Reserves are high but the money is earmarked for specific purposes such as the playground fund, station road car park and toilets and a skate ramp. There is a staff gratuity fund which is no longer paid into of £5024.

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8: Income – Income is properly recorded and banked and is as expected. The precept of £79100.00 was approved at the Parish Council Meeting held on 20th January 2014, minute reference 2082(5).

9: Petty Cash – There is no petty cash system and one is not required.

10: Staff Wages – It was noted the Clerk works an average of 30 hours a week and is contracted for 20 hours a week. It was suggested that the Parish Council might like to consider using a payroll bureau for best practice.

11: Effectiveness of the Internal Audit – an annual review of the effectiveness of Internal Audit is recommended.

12: Internal Checks and Audits - A system of internal checks and audits is in place. A Councillor carries out these checks on a monthly basis.

13: Transparency Code – Whilst Salehurst and Robertsbridge Parish Council has a turnover of over £25,000 it plans to adopt the requirements of the Transparency Code as best practice.

14: It is worth noting that the figures have been produced by the Clerk in accordance with the requirements and all supporting documents have been produced for the Internal Auditor. The Clerk's co-operation aided considerably the work of this internal audit. Thank you.

Alison Hillman, MILCM
Internal Auditor
3rd June 2015

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Section 4 – Annual internal audit report 2014/15 to

2248/4/a

ENTER: Salewest & Robertsbridge Parish Council/Meeting

The council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

Internal audit has been carried out in accordance with the council'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 the council.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual precept 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.			NA
G Salaries to employees and allowances to members were paid in accordance with council 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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		
K Trust funds (including charitable) The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by the council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

SEE REPORT

Name of person who carried out the internal audit ALISON HILLMAN

Signature of person who carried out the internal audit [Signature] Date 3-06-15

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, internal audit must explain why not (add separate sheets if needed).

Handwritten note: Approved 22/1/15