

REPORT OF INTERNAL AUDITOR

CALBOURNE PARISH COUNCIL

INTRODUCTION

All Local Councils in England are required to complete an annual return summarising their financial records at the end of the financial year. Section 4 of the Annual Return needs to be completed by an Internal Auditor who shall be independent of the Council. The the Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

SCOPE OF AUDIT

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

- Matching of financial statements to invoices and receipts.
- Examination of budget preparation and monitoring reports.
- Inspection of bank statements and bank reconciliation.
- Matching of cheques to receipts & payments records.
- Examination of minutes supporting expenditure.
- Completion of Risk Assessment.
- Compliance with Transparency Code

FINDINGS

1. Arrangements for PAYE are the responsibility of the Clerk, with deductions being paid to Her Majesty's Revenues & Customs. Total tax deductions of £728.60 have been correctly paid to HMRC in the 2016-17 financial year in respect of the current Clerk. The Clerk has requested a payment book from HMRC in order that payments can be made on a regular basis throughout the year in 2017-18.
2. The accounting record's, bank statement's and bank reconciliation for the year ended 31st March 2017 were examined and agreed. Invoices were examined and agreed to cheque stubs and bank statements. VAT on expenditure was accounted for correctly and is fully recoverable from HMRC.
3. The Council maintains an Asset Register which has been updated by the Clerk during the year and the value of assets held at 31st March 2017 is £7,069.
4. The Annual Return requires the Internal Auditor to be satisfied that the Council has reviewed the risks to not achieving its objectives. A review of the Financial Risk Management Policy was undertaken in the year and approved at the Council meeting on 6th February 2017.
5. The final accounts are made on a receipts and payments basis which is in accordance with set criteria for a Council with a turnover of less than £200,000.

At the 31st March 2017 year end cash balances of £10,189.69 were contained in the accounts.

6. The Council had set its precept following consideration of a budget process commencing with consideration of a draft budget at its meeting on the 5th December 2016. The budget and precept for the 2017-18 financial year were agreed at the meeting on the 6th February 2017 when a precept of £15,000 was approved with a sum of £540 to be met from balances.
7. A schedule of variances between the 2015-16 Annual Return and the 2016-17 Annual Return had been completed detailing changes in both payments and receipts in Boxes 3 & 6 of Section 2 as required by the External Auditor to support figures contained in the current Annual Return. An explanatory note will also be required in respect of the variance in the figures in Box 4 of Section 2.
8. There were no matters arising from the audit of the 2015-16 Annual Return which was reported to Council at its meeting on 3rd October 2016. The External Auditor for the 2016-17 Annual Return is again to be BDOLP but the format of the return remains unchanged. With effect from 1st April 2017 External Auditors will be appointed for a five year period by Public Sector Audit Appointments Limited (PSAAL), a public company formed in consultation with NALC and SLCC.
9.) The Transparency Code for Smaller Authorities requires the publication of certain information on a website. The definition of Smaller Authority is one with turnover not exceeding £25,000 and so the requirements of the code are applicable to the parish council.

On examination of information on the website, the Parish Council has provided a section of the website dealing with aspects of the Transparency Code and containing a policy document for compliance with the requirements of the code. It is my opinion that the information requirements as contained in the policy document satisfy the requirements of the code.

Having regard to the above I am satisfied as to my ability to complete the Internal Audit section of the Annual Return.

Gareth Hughes CPFA

15th May 2017