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KINGSTON PARISH COUNCIL

Internal Audit Report 2015-2016

Introduction

1. In accordance with the Internal Audit Plan, Controls and Procedures have been tested, with Fraud and Risk Issues reviewed. These are 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. The points listed below are for noting:

Audit

2. There were no matters arising from the previous external or internal audits.
3. End of Year Accounts 2015-16 – The accounts are accurately presented. Receipts and Payments are properly recorded and the information produced is accurate and comprehensive. The Annual Return was checked against the supporting documents and was found to be correct. Figures in the end of year return are supported by the accounts. Bank Reconciliations are regularly completed and are correct. The Internal Control Objectives defined in the Annual Return have all been met (Item F does not apply, see note 13 below). I have signed page 5 of the Annual Return with no other risk areas being identified.
4. The Standing Orders are reviewed annually and were presented again for review and re-adoption at the May 2016 annual meeting. The Financial Regulations were also reviewed and adopted at the 11 May 2016 meeting, in accordance with NALC January 2016 revisions to the MODEL regulations.
5. Section 137 Payments. The Clerk confirmed there were no payments to be recorded.
6. Bank Reconciliations are completed and checked regularly and are presented to Councillors at Council meetings who initial and approve them.
7. Risk Assessment – A risk assessment is completed for activities within the Pavilion. A Financial Risk Assessment was presented to the Council on 11 May 2016.
8. Internal Audit Effectiveness - The Council has good internal controls in place but does not conduct a formal annual review of the effectiveness of its internal audit procedures. *It is recommended an annual review be completed that satisfies the needs of the Council.* The Council conducts robust internal control checks at its meetings and does not therefore consider that any additional quarterly audits by Council members with the Clerk are required. This will be something that an effectiveness review will be able to confirm.
9. Asset Register – The register is maintained and shows the locations of assets, their cost value and the value insured. The Asset Value shown on the Annual Return is insured value of the Pavilion. There are other assets on the register but these are not considered to be fixed assets.
10. Insurance – The Parish Council's Insurance cover is adequate and was renewed in September 2015.
11. Budgetary Control – Annual budget reports are prepared in support of the precept. The Precept and Budget were approved and recorded in the minutes. Members receive quarterly reports of receipts & payments versus budget with notes to explain any key variance. The

audit showed that Councillors do ask questions on receipt of the reports and have good engagement with the financial reports.

12. Income – The precept recorded in the minutes and on the Annual Return agrees to the Council Tax authority's notification.
13. Petty Cash – There is no petty cash system and one is not required.
14. Payments – Payments are approved and paid in line with GALCP and the Councils Financial regulations. All payments are listed in the minutes and approved.
15. Vat is properly reported in the cash book and VAT claims are completed. VAT received agrees with the amounts claimed.
16. Staff Wages – The Clerk maintains the payroll. There is a contract of employment and conditions are reviewed annually. Payments made agree with the amounts approved by the Council.
17. The reserves reported in the financial reports agree with the bank balances and are separated into earmarked and general reserves. The general reserve is equivalent to approximately one year of precept which is appropriate.
18. Agendas & Minutes are sent out in time and are well presented and recorded in the minute book.
19. It is noted 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.

Keith Robertson FCMA
Internal Auditor
19th May 2016