

**REPORT BY THE INTERNAL AUDITOR
FINANCIAL YEAR ENDING 31 MARCH 2018**

Internal Auditor's Certification to Rockcliffe Parish Council

The Accounts and Audit (England) Regulations 2015 part 4 requires a Council to display (for a period of 14 days prior to 30th September), the Notice of Conclusion of Audit, and the relevant sections of the Annual Return in one or more conspicuous places/s, other than the minutes, and on a website, advising the public that the audit has been completed.

The clerk has undertaken the requirement and the Council was notified at the Council meeting held on 18th September 2017 Minute No. 40.5

The Council received an unqualified audit from the External Audit. Minor matters were required to be brought to the attention of the Council, but they did not affect the accuracy of the accounts, which confirmed the Accounts and all governance documents fulfilled the requirements of the Account and Audit Regulations. The Council duly received notice of the completion of Audit at the Meeting as above.

I confirm I have, on the 3rd May 2017 undertaken an internal audit for the period 1st April 2017–31st March 2018 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the previously approved Audit Plan and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2018

I report as follows:-

1. Proper Bookkeeping

The Council operates Receipts and Payments Accounts as required by the Regulations. The Cashbook is maintained and up to date. There were no arithmetical errors and there is a clear audit trail and a checking system for data input into the computerised records.

2. Standing Orders/Financial Regulations. Transparency Code

The Council has reviewed and formally adopted Standing Orders and Financial Regulations at the Meeting held on 19th March 2018 Min. 81/03/18 9.4
Transparency Code **See Note 1**

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 sample of expenditure was checked.

4. VAT

Vat has been recorded and the correct sum identified for the period 1st.April 2017 to 31st March 2018. The claim for the year has been submitted.

5. Sct 137 Payments

The Council is fully compliant with 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. Expenditure under that power amounted to £20. – British Legion Poppy Appeal.

6. Risk Management

The Council has reviewed, updated and adopted a Health and Safety Policy Document, which identifies and addresses all associated risks arising from the activities of the Council.

19th March 2018 Min. No. 11.15

7. Internal Financial Controls

There is clear evidence by checks, dates and signatures on relevant documents e.g. invoices, financial statements, schedule of payments, bank reconciliations, and chequebook stubs that the Council is in control of the use of public monies.

8. Register of Interest

Members have duly completed the Register of Interests and fulfilled their obligation to update the details annually.

9. Budgetary Control

A correct budget process is in place and the budget is monitored quarterly.

The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the RFO enable the council to readily address any budget under/overspends and if necessary make the relevant virements.

10. Cash Balances at the Bank

It is a requirement of internal audit to express a view on whether the cash reserves of the council are adequate or excessive. The balance is adequate to meet the future budgeted undertakings of the council.

11. Income Controls

All income is properly recorded and promptly banked and adequate measures are in force to ensure security. No cash income

12. Petty Cash

The Council does not operate a petty cash system but the Clerk's expenses are reported to the relevant meeting

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed.

13. Payroll Controls

PAYE/NIC records are undertaken externally and are properly operated and accuracy verified by the Clerk/RFO. All statutory payments to HMRC are up to date.

14. Asset Control

There exists an extensive register of all material assets in control of the Council. The register is up to date and was reviewed and adopted at the meeting on 19th March 2018 Minute No 83/03/18 11.5. All assets are adequately covered by insurance

15. Bank Reconciliation

Bank statements are reconciled to financial records on receipt of monthly bank statements.

See Note 2

16. Year End Accounts

The accounts of Rockcliffe Parish Council are prepared on a Receipts and Payments basis as required by the Accounts and Audit Regulations.

I confirm that Rockcliffe Parish Council has fulfilled all obligations in respect of the Account and Audit Regulations and statutory obligations other than where notes are listed below.

I conclude and report that the Clerk/Responsible Financial Officer (RFO) has maintained a high standard of recordkeeping, which has simplified the audit process. The Council's control systems are efficient and effective and give the appropriate level of confidence, that the financial statements and reports reflect a true and accurate account of the Council's finance and governance records.

The following are observations only, with the aim of assisting the council to achieve best practice.

Note 1.

Transparency Code

Issue:- The Code requires that all Councils with expenditure below £25000 publish a list of all expenditure exceeding £100 on a website prior to 1st July annually. There is additional obligations in respect of publishing full details are available from CALC.

Recommendation: That the Clerk/RFO ensures that the required information is published on the Council website. In discussion with the Clerk is noted that the website is currently undergoing improvements which will ensure future compliance.

Note 2.

Bank Reconciliation

Issue: Financial Regulations 2.2 requires that a Councillor other than the Chairman signs the relevant bank statement to verify that the information presented on the bank reconciliation is accurate.

Recommended: That the Council considers a method whereby there is compliance with the Council's Financial Regulations.



Georgina D Airey – Internal Auditor. 30th April 2018.