

## GREAT ALNE PARISH COUNCIL

### INTERNAL AUDIT REPORT 2015-16

Regulation 6 of the Accounts and Audit (England) Regulations 2011 imposes a duty on local councils to 'maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

Completion of an Internal Audit of the Parish Council for 2015-16 was completed on 19<sup>th</sup> April 2016.

Members should be aware that my work cannot be relied on to identify the occasional omission or insignificant error, nor to identify breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against.

The internal audit has been carried out in accordance with the 'Code of Practice for Internal Audit in Local Government in the United Kingdom 2006' and with guidance from The Joint Practitioners' Advisory Group (JPAG) document: Governance and Accountability for Local Councils – A Practitioners' Guide (England) March 2014. All documents are available to view on the internet.

**External Auditors:** The External Auditors appointed by the Audit Commission are Grant Thornton UK LLP.

**Clerk and Responsible Financial Officer (RFO):** The Clerk and RFO (according to section 151 of the Local Government Act 1972) for the period 2015-16 (as of the date of the annual audit) is Mrs Sarah Duran of 2 Flax Close, Alcester, Warwickshire, B49 5DQ.

		<b>Risk</b>
1	<p><b><u>Accounts:</u></b></p> <ul style="list-style-type: none"><li>• Cash book is up to date for 2015-16, all entries have been checked against supporting paperwork, all arithmetic and cross checking has been verified.</li><li>• Cash book has been verified against the bank statements.</li></ul> <p><b>Comments:</b></p> <ul style="list-style-type: none"><li>• The accounts are being prepared in line with the standing order and financial regulations of the Parish Council, these are being reviewed annually. Last reviewed and adopted May 2015.</li></ul>	<p>Good</p> <p>Good</p> <p>Good</p>
2	<p><b><u>Financial Regulations, Standing Orders and Payment Controls:</u></b></p> <p>The first step in establishing a financial system is to identify the general rules applicable at council meetings and in carrying out the councils business. The Standing Orders, Financial Regulations and other internal instructions do this.</p>	

	<ul style="list-style-type: none"> <li>The Standing Order is in place and was last reviewed and adopted in May 2015.</li> <li>A set of Financial Regulations were adopted by the Parish Council in May 2013. These were last reviewed in May 2015.</li> <li>VAT is being claimed back on a regular basis.</li> </ul>	Good
		Good
		Good
3	<p><b><u>Risk Management:</u></b> This is the process of addressing the risks associated with what the Parish Council do and the services they provide. Good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences. This is not just about financial management but about ensuring the achievement of objectives set by the council. All decisions made need to be recorded in the minutes.</p> <p>Playground Risk Assessments – Completed on a regular basis and action taken on identified risks. Risk Assessments are being done on a weekly basis.</p> <p>A Risk Assessment and Management document was prepared and adopted in 2013. This is reviewed annually, last review was in May 2015.</p>	Good
		Good
		Good
4	<p><b><u>Budgetary Controls:</u></b></p> <ul style="list-style-type: none"> <li>A clear and detailed budget was prepared and discussed in the January meeting and used as a guide on which to set the 2016 - 17 precept.</li> <li>Suitable balance of reserves was carried forward as of 31<sup>st</sup> March 2016 (£25142.10 current account &amp; £8189.29 savings).</li> <li>Expenditure is regularly compared against budgets</li> </ul>	Good
		Good
		Good
5	<p><b><u>Income Controls:</u></b></p> <ul style="list-style-type: none"> <li>Precept for 2015-16 was received promptly by bacs payment (April and September 2015)</li> <li>Bank interest received and wayleave payment from Western Power Distribution (April 2015) were duly noted in the records and banked.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>Grants received from Stratford District Council were received in April and September 2015</li> </ul>	Good
		Good
6	<p><b><u>Petty Cash Procedure:</u></b></p> <ul style="list-style-type: none"> <li>There is no petty cash</li> </ul>	
7	<p><b><u>Payroll Controls:</u></b></p> <ul style="list-style-type: none"> <li>The Parish Council is registered for PAYE and submitted a P35 for the period 2015-16. The Parish Council is meeting all obligations to record payroll information within the 'Real Time Information' requirements of HMRC.</li> </ul>	Good

	<p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>Any changes to the employment contract (including salary changes) of the Clerk in her role as Clerk and Responsible Financial Officer to the Parish Council will require formal agreement by the council and a written statement to the employee</li> <li>New government legislation requires all employers to enrol their workers into a workplace pension scheme if they're not already in one. This obligation is being introduced over a number of years, for your information the staging date for Great Alne Parish Council is 1<sup>st</sup> April 2017. The Pensions Regulator should contact you shortly to start the enrolment process.</li> </ul>	
8	<p><b><u>Asset Control:</u></b></p> <ul style="list-style-type: none"> <li>The Asset Register is being regularly reviewed and is a full and comprehensive list.</li> </ul> <p><b>Comment:</b></p> <ul style="list-style-type: none"> <li>The insurance policy held appears to have adequate and suitable cover.</li> </ul>	Good  Good
9	<p><b><u>Bank Reconciliation:</u></b></p> <ul style="list-style-type: none"> <li>Regular reconciliation of the bank statement to the financial records is being done.</li> </ul>	Good
10	<p><b><u>Year End Procedures:</u></b></p> <ul style="list-style-type: none"> <li>The Audit for 2015-16 is due to be submitted to the external auditors, Grant Thornton UK LLP.</li> </ul>	Good

Lorraine Holmes  
Internal Auditor  
6 Throckmorton Road, Alcester, Warwickshire, B49 6QA  
19<sup>th</sup> April 2016

***Declaration of Interest of Internal Auditor:*** L Holmes ceased to be Clerk for Great Alne Parish Council in November 2010, there has been no official involvement with the Parish Council or associated members for the 2015-16 period being reported on, apart from the appointment of the role to Internal Auditor.