

ULCOMBE PARISH COUNCIL

INTERNAL AUDIT REPORT 2016-17

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2016-17 and have been able to complete Section 4 of the 2016-17 Annual Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose 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 through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussion with your Clerk I was able to answer 'YES' to all the relevant questions contained in Section 4 of the Annual Return for 2016-17.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 22 May 2017.

PREVIOUS AUDITS:

External Audit Certificate 2015-16:

The External Audit Certificate for 2015-16 (Section 3 of the Annual Return) was unqualified and was reported to Council on 8 September 2016 although no decision was recorded.

Please note that it is a requirement (under the Accounts & Audit Regulations 2015) that reports from the external auditor are considered by the Council. In my view the best way to comply with statute is for the report to be taken as a separate agenda item to a meeting of the Council and for the Council's consideration of the report to be formally minuted.

Internal Audit 2015-16:

There are no matters outstanding from the 2015-16 audit.

FINDINGS THIS VISIT:

During the visit I carried out sufficient work to enable me to complete Section 4 of the Annual return which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook. I also reviewed the asset register and insurance schedule.

I found all the financial records to be accurate and up to date. There were no unexplained entries in the bank reconciliations.

In reviewing the cashbook I noted that legal costs were treated as s137 expenditure. I have discussed with the Clerk that local councils have the ability to seek legal advice and incur legal costs – it comes under the s111 Local Government Act 1972 power to do things incidental to the discharge of functions. Consequently there is no need to invoke s137 as justification for this expenditure.

Lionel Robbins
Independent Internal Auditor
30 May 2017