

1 INTRODUCTION

As the Council's Internal Auditor I have independently carried out an examination of areas which meet the internal control objectives as listed on page 3 of the Annual Governance and Accounts Return (AGAR); for the year ended 31st March 2019.

The audit has been carried out using on a risk assessment basis and assesses the Council's compliance with best practices as outlined in the Practitioners Guide 2018.

2 OVERALL

Having completed a comprehensive examination of Council records presented to me I have completed the Annual Internal Audit Report on page 3 positively.

The standard of administration and system of internal controls relating to the audit areas examined throughout the financial year were considered to be of a high standard, which adequately meets the needs of the Council.

3 DETAILED FINDINGS & RECOMMENDATIONS

The following outlines the areas covered during the internal audit which support the above statement; areas of concern are highlighted.

A Appropriate accounting records have been properly kept throughout the financial year.

The primary accounts record examined (i.e. the excel receipts and payments ledgers) were found to be accurate and provide a comprehensive analysis of receipts and payments; meeting both accounting and Council requirements.

B The Council complied with its financial regulations, payments were supported by invoices/vouchers, and all expenditure was approved and VAT was appropriately accounted for.

Total payments for the year £83,512.

A sample of 23 payments in total were examined in detail (including Payroll) throughout the year and were agreed to the bank statements and financial accounts, and Council Minutes.

Payments examined complied with the Council's Financial Regulations (last revised in 2014) which were re-adopted at its May 2018 meeting however they do not conform to the Council's Standing Orders (adopted in April 2019 with respect to public contracts (Section 18). **I would recommend that they are revisited.**

VAT is appropriately accounted for in the Payments Ledger and VAT has been successfully claimed during the year. The internal control objective has been met.

C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council has fully met this control objective please refer to my earlier report.

D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the council; and reserves were appropriate.

In Year Budget Monitoring – Please refer to my earlier report.

Precept/Budget 2019-20 – Please refer to my earlier report.

Reserves - The year end balance of £54,397; was considered appropriate given this also includes earmarked reserves.

The internal control objective has been fully met.

E Expected income was fully received, based on correct prices, properly recorded and banked.

Total receipts for the year were £62,783

These were satisfactorily traced to banking records and supporting documentation which comprised mainly of a precept receipt of £51,200; Grants of £4,677 and VAT reclaimed £4,872. Please refer to my earlier report.

The internal control objective has been met.

F Petty Cash Float - No petty cash float is held by the Clerk.

G Salaries to employees and allowances to members were paid in accordance with the Council's approvals and PAYE & NI requirements were properly applied

The Clerks' salary payments as detailed in the accounts; have been agreed to DM Payroll Services Payment records and P32 for 2018/19. I agree with the Clerk's computation that a 10p over payment has arisen. The Clerk has agreed to deduct this from his next expense claim. There was evidence of Council minutes supporting all salary payments, and checks carried out computations. The Clerk's contract and subsequent pay scale rises and Council decisions support the pay scale used and payments made.

The Clerk's mileage costs do not exceed 45p per mile; therefore it is appropriate to exclude them from payroll processing. Members did not receive allowances during the year.

The internal control objective has been met.

H Asset and investments registers were complete and accurate and properly maintained

The Council's fixed asset register/inventory as at 31/3/19 was examined and found to clearly detail assets at their cost and insurance values where the value is unknown. Total value of £155,643. In year movement was accounted for and is primarily due to the upgrade in street lighting accounting for £35,265; improvements to gym equipment £465 and an external planter £305. The Council is insured with Ecclesiastical; the current policy expires on 31/8/19. The internal control objective has been met.

I Periodic and Year-End Bank Reconciliations were properly carried out.

A year end bank reconciliation has been carried out by the Clerk/RFO and re performed and agreed by the Auditor. The Clerk regularly presents financial reports and bank reconciliations to Council; please refer to my earlier report for details. The internal control objective has been met.

J Annual Governance & Accountability Return (AGAR) 2018/19; Statement of Accounts (page 5)

The AGAR's, Statement of Accounts has been correctly compiled on a receipts and payments basis based on accounting records. A Variance Report has also been prepared.

The AGAR; Year-end Bank Reconciliation and related year-end paperwork will be presented to Council at their next meeting for approval and adoption.

The internal control objective has been met.

K The Council appropriately certified itself as exempt from a limited assurance review in 2017/18

The Council did not meet the exemption criteria; and as such this control is not applicable.

L. During summer 2018 Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations 2015.

The notice of the period for the exercise of public rights was fully completed and advertised on Council notice boards and the website during the summer 2018. The internal control objective has been met.

Trust Funds - The Council is not responsible for a trust fund.

Council Meetings - A sample review of Council meeting minutes confirmed that the necessary number of councillors were in attendance achieving the required quorum. Council minutes were appropriately signed as accurate.

An examination of Council's records on the Council's website confirmed that the web site was overall up to date and informative meeting Transparency Requirements. It is appreciate that much time has been spent on the website. I would only highlight that there is a need to remove the "old" website to prevent confusion.

Should the Council or Clerk have any queries with this report please do not hesitate to contact me. I would like to thank David for presenting such well organised files.

Best Regards,

SD Hackett

SDH Accounting & Audit Services
Gonsal House
Condover
Shrewsbury
SY5 7EX

8th May 2019