

**YEAR END REPORT BY THE INTERNAL AUDITOR
FINANCIAL YEAR ENDING 31 MARCH 2017**

Internal Auditor's Certification to Crosby Ravensworth Parish Council

I confirm I have, on the 12th May 2017 undertaken an internal audit for the period 1st April 2016 - 31st March 2017 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the Audit Plan and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2016

This report confirms that the Council is compliant with the Account and Audit Regulations in the following areas.

1. Proper Bookkeeping

A clear audit trail exists for all accounts. All are balanced quarterly and are accurate. The use of an electronic online storage system safeguards computer records. All receipts and payments are allocated to the Council's budgeted headings, allowing immediate identification of spending in each budget sector and enables quarterly budget monitor to be prepared.

2. Standing Orders/Financial Regulations/Transparency Legislation/Internal Financial Controls

The Council currently has both documents. Standing Orders were adopted at the meeting held on 22nd July 2014 Min. Ref. 057/14 and were reviewed on 26th May 2015 Min. Ref. 020/15.

Financial Regulations were adopted on 9th March 2015 Min. Ref. 162/14 and were reviewed on 2nd November 2015 Min. Ref. 105/15.

Information required under the Transparency Code is displayed on the Council website www.crosbyravensworthparish.org.uk.

In pursuance of the LGA 1972 s151 the Council has a duty to appoint a Responsible Financial Officer (RFO) with specific duties. The Clerk was appointed as RFO at the annual Parish Meeting held on Monday 23rd May 2016 Min. Ref. 013/16.

Lyvennet Community Fencing project was the only procurement made in the year over £2,000. Three quotes were obtained to ensure competitive purchase.

All payments are minuted and approved quarterly in addition all items of expenditure are listed on the Council's website.

VAT on payments is identified, recorded and reclaimed. VAT of £584.95 to be reclaimed for the year ended 31st March 2017 has been submitted but not received.

Section 137 expenditure is recorded and identified and does not exceed statutory limits.

Recommendation: Financial Regulations be updated to reflect latest legislation – see NALC Model Financial Regulations dated January 2016.

Best Practice: When seeking quotations it is best practice to include a quality element so that if the most competitive price is not appropriate best value can still be demonstrated.

3. Risk Management Arrangements

The Risk Assessment 2016/2017 was reviewed and adopted at the meeting held on Monday 3rd April 2016. Min. Ref. 143/16.

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

Minutes a properly referenced, paginated and signed with a master copy kept in safekeeping.

Councillors fulfil their obligation to advise and declare as appropriate any personal or pecuniary interest. A link to Register of Interest documentation is available via the Council's website.

Insurance cover is appropriate and adequate.

Recommendation: It is recommended that insurance policies be combined if appropriate and 3 year terms be considered which may offer financial savings.

4. Budgetary Control

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

The accounting method enables immediate identification of quarterly and cumulative spends to each budget heading. The Budget Monitor presented quarterly to the Council readily addresses any budget under/overspends and if necessary make the relevant virement.

The Council holds adequate reserves.

Best Practice: External Audit advice is that reserves are not considered excessive if they are less than twice the value of the Council's annual precept.

5. Income Controls

All income is promptly banked upon receipt. The balances at the bank as at the 31st March 2017 are considered appropriate to enable the Council to retain an adequate cash flow.

6. Petty Cash/Clerk's Expenses/Credit/Debit Card

No petty cash is kept.

Clerk's expenses are identified and recorded in the cash book and reported to the Council via the quarterly Budget Monitor.

7. Asset Control

The Council's Asset Register dated March 2017 was reviewed and approved by the Council at its meeting on Monday 3rd April 2017 Min. Ref. 143/16.

8. Payroll Controls

PAYE/NIC is outsourced to C Mitchinson Payroll Services. Wages and PAYE payments are recorded in the cash book and reported to the Council via the Budget Monitor quarterly.

9. Bank Reconciliation

Bank reconciliations are reported quarterly.

Recommendation: It is recommended that interest received is included in the cash book upon receipt not just at year end.

10. Year End Accounts

Crosby Ravensworth Parish Council produces accounts on an Receipts and Payments basis as required by the Accounts and Audit Regulations.

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. The financial statements and reports reflect a true and accurate account of the Council's finance and governance records.



Caroline Dodgeon – Internal Auditor 13th May 2017.