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To: The Chairman, Crosby Ravensworth Parish Council
cc: the Clerk to Crosby Ravensworth Parish Council
for the attention of Crosby Ravensworth Parish Council

Internal Audit 2017-18

As indicated in the approved audit plan for the year ended on 31st March 2018, I have recently met (twice) with the Clerk, and discussed the necessary end of year returns and paperwork. My principal concerns were to carry out **(a)** a series of financial checks – on the accounts & statements of accounts, on the relevant bank balance(s), and of a sample series (chosen at random and without prior notice) of detailed checks on transaction paperwork; and **(b)** a discussion of the material prepared for, and the draft of, the Council's formal annual Audit return, looking both at the financial information to be provided and at the statements required to be made by the Council, and by myself, in respect of the Council's procedures and governance.

I examined all the relevant Bank Statements to confirm the Council's financial situation at the beginning, and at the end, of the year, and can confirm that the position was and is as already reported to the Council – and as summarised below:-

	AT YEAR END	
BANK	2017/18	2016/17
	£	£
NatWest	0.00	11,572.47
Barclays	13,577.88	0.00
PBS General	7,603.25	6,053.33
PBS Police	6,076.12	4,537.58
Cash	0.00	0.00
CQ 100010	-122.80	0.00
TOTAL	27,134.45	22,163.38
SURPLUS	4,971.07	

I carried out a series of random checks on transaction records and paperwork, and subject to some detailed comments {see below} found the records etc to be satisfactory.

I then discussed with the Clerk both the expected contents of, and the procedure for dealing with, the Council's **Annual Governance and Accountability Return (AGAR)**, in respect of which there are this year changes in content, in the procedure required of the Council in dealing with its entries {compliance with which must be evidenced by the subsequent Council minutes}, and in the publication of prescribed material now required of the Council. As a 'Smaller Authority' with neither its income nor its expenditure during the year exceeding £25,000, the Council needs only to complete AGAR Part 2, and will be able to claim exemption from external audit. The relevant form should be completed by the Council {after other material} at its next meeting.

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The Clerk and I have looked at the financial figures that he expects to report to the Council for entry in its AGAR, and at the explanations that he is drafting in respect of some significant variances year-on-year, and I am satisfied that these are, respectively, correct and appropriate.


In this context – and more generally – I should note here that although I am aware of the Council’s role as the trustee of the Maulds Meaburn Recreation Ground Trust, I have not examined any relevant material. I consider that this matter *{although declarable by Councillors as an interest}* lies outside my role.

With the exception of the items relating to banking & banking arrangements, and to the proper recording of the receipt of interest, I have not, at this stage, reviewed further progress on the other matters noted in my report of 8 February.

I turn now to some details which require attention:-

- (i) in respect of a small number of financial transactions, the only satisfactory record is currently held in a series of emails & attachments: the relevant invoices etc should be printed out and kept on file;
- (ii) in the Budget Monitor, inter-account transfers (*e.g. to increase the Police House reserve*) are shown as ‘ordinary’ transactions, when they are neither income nor expenditure. In consequence, they are included in the relevant totals: they should not be. Since they do need reporting, one possibility would be a category of Transfers, shown below the main tabulation but, of course, excluded from all totals; and
- (iii) in respect of at least one transaction – carried out quite properly on-line – the relevant paperwork on file is not an invoice, and does not specify the amount due: ideally, when such a transaction is made, a screen-shot (or pdf) of the transaction details should be captured and subsequently printed out for the file if necessary.

There are no other items that I need to bring to the Council’s attention in this report.



John Bevan