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Internal Audit Report for Fitzhead Parish Council

Financial Year 2018/19 End of Year Report

Internal Audit Test	01.05.19
<p>Appropriate accounting records have been kept properly throughout the year</p> <p>The authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for</p> <p>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate creditors and debtors were properly recorded</p>	
Accounting basis	Receipts and payments
Standing Orders	Adopted 20 th February 2014. Latest Model Standing Orders include some changes since 2014.
Financial Regulations	Approved 14 th April 2015. Latest Model Financial Regulations include some small changes since 2015.
Bank Interest gross and correct	Yes
Payments made are the correct amount	Yes. Cheque payments checked against invoices, pay slips and cash book.
Payments approved and minuted	Ensure all payments and amounts are minuted. There is a reference to a payment being approved at a meeting held in Part 2 but the Part 2 minutes do not contain any reference to the approval of the payment.
Voucher or invoice supports payment	All payments are supported by an invoice or statement.
Payments - VAT correctly recorded	The VAT amount on each invoice has been correctly recorded in the accounts. The minutes of 6 th December 2017 state that it was

	agreed to investigate the PC being able to claim back the VAT as long as the invoice was addressed to the PC. During the audit I noticed that not all the invoices for the project are addressed to the PC. I can find no record in the minutes of any advice received, from HMRC or any other source, regarding reclaiming VAT for this project. I am not a VAT expert and therefore, to avoid any risk in the future of being asked to repay any of the VAT reclaimed, I suggest formal advice is sought from HMRC as this is a joint project with TMMC and they are giving the PC the money for some of the costs. They appear to be receiving the grant funding.
Cheque stubs initialled	Yes
Cash Book up to date	Yes
S137 within limits and separately recorded	No S137 payments
VAT reclaimed properly	See comments on VAT above
Clerk's expenses reasonable	Yes. All expenses supported by a receipt
The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage them	
Risk Assessment review	Approved February 2019
Internal Controls Document	Approved February 2019
Council Insured and insurance covers Council's needs. Schedule reviewed.	Yes. Policy has £10million cover for both public liability and employer's liability. The policy covers the Council's needs. This is the second year of a three year agreement.
Fidelity guarantee adequate	Yes
Policies in place	Complaints Policy Grant Award Policy Social Media Policy Recording at Parish Council Meetings Policy
The precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate	
Proper budgeting process	Yes

Precept properly set, agreed and minuted	Precept agreed at Council meeting held on 06.12.17. Minute reference: 6.1
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	
Precept received	Yes 10.04.18
VAT appropriately accounted for income	Not VAT registered
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	
Petty Cash documented properly	No petty cash
Salaries to employees and allowances to members were paid in accordance with the authorities approvals and PAYE and NI requirements were properly applied.	
Inland Revenue notified of employees	Yes - one employee on record
Salaries to employees paid in accordance with Council approvals and PAYE and NI requirements were properly applied	Payroll provided externally. PAYE and NI requirements have been properly applied.
Auto enrolment in place.	Annual salary below eligible amount
Asset and investments registers were complete, accurate and properly maintained	
Assets register complete and up to date	Yes. May 2018 and no further assets to add.
Periodic and year end bank reconciliations were properly carried out	
Bank Reconciliations carried out	Yes. Year end bank reconciliation completed and correct

In accordance with testing strategy all tests were satisfactory and there were no matters of non-compliance for the period 1st April – 31st March, financial year 2018/19.

The Parish Council needs to agree the Certificate of Exemption and this should to be minuted. The Annual Governance Statement should be agreed before the Annual Accounting Statement.

The Transparency Code requires Parish Councils to publish details of all payments over £100 (not including VAT) and a list of its assets

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1st May 2019