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# **Oddington Parish Meeting**

*Internal Audit Report 2015-16*

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## **Background**

All town and parish Meetings / meetings are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Return. Auditing Solutions Ltd has provided this service the Meeting since the outset of the “Limited assurance” audit arrangements. This report sets out the work undertaken in relation to the 2015-16 financial year.

## **Internal Audit Approach**

In undertaking our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts/Annual Return. Our programme of cover has again been designed to afford appropriate assurance that the Meeting’s financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Meeting’s own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the ‘Internal Audit Report’ in the Meeting’s Annual Return, which requires independent assurance over a number of internal control objectives.

## **Overall Conclusion**

We have concluded that, on the basis of the programme of work undertaken this year, the Meeting has again maintained adequate and effective internal control arrangements.

We have completed and signed the ‘Internal Audit Report’ in the year’s Annual Return, having concluded that, in all significant respects the control objectives set out in that Report were being achieved throughout the financial year to a standard adequate to meet the needs of the Meeting.

# Detailed Report

## Maintenance of Accounting Records

The Meeting's financial transactions have again been recorded in a spreadsheet cashbook, which is considered perfectly adequate for the level of annual activity.

The spreadsheet cashbook has been presented to the Annual Meeting of the parish in April 2016 and, as part of the package of Accounts presented to the electorate, has effectively been signed off and dated at the year-end by the Clerk and Chairman.

*No issues arise, although we have only been provided with a bank statement for the year to 9<sup>th</sup> February, noting that they are only received periodically from the bank: we also note that one receipt (£527.00) and one cheque (£70.00) had not cleared through the bank at that date, but should have done so by 31<sup>st</sup> March 2016.*

## Review of Corporate Governance

The 1996 Accounts and Audit Regulations provide indication that all Parish Meetings and Meetings should prepare and adopt formal Standing Orders for the conduct of their business and also in relation to tendering and quotation arrangements for the supply of goods and services. This is supported by guidance issued by NALC, who have produced a model document for adaptation by Parish Meetings and Meetings for their own use.

We note that a separate committee has been established to review the Meetings Standing Orders and Financial Regulations, together with the effectiveness of Internal Audit, with no issues arising. The documents were both last reviewed and re-adopted at the Annual meeting on 24<sup>th</sup> March 2016.

We have reviewed the minutes of the annual meeting on 22<sup>nd</sup> April 2016 and Committee meeting held on 24<sup>th</sup> March 2016 noting re-adoption of the risk register, Standing Orders and Financial Regulations.

*No issues arise this year.*

## Review of Payments

We have examined all payments made during the year to ensure that the following criteria have been met: -

- Payments were supported by a trade invoice or acknowledgement of receipt. The Annual Parish Meeting has formally approved each payment. *As previously, examination of the Annual Meeting's minutes confirms that the previous year's payments have been formally ratified at the Meeting.*
- Payments have been correctly analysed in preparation of the year-end Statement of Accounts. *No issues arise in this area of our review.*

## **Assessment and Management of Risk**

The Governance and Management Risk Register presented to and adopted at the 2005 Annual Meeting details the potential impact of each risk identified, the likelihood of the risks materialising and severity, together with the relevant controls required to reduce the potential of that risk occurring. We are pleased to note that a committee established specifically with the aim of reviewing, inter alia, the Risk Register was re-appointed during the year and that the document was considered to remain appropriate for the Meeting's requirements at the meeting held on 24<sup>th</sup> March 2016.

We have reviewed the 2015 and 2016 Annual Meetings' minutes to identify whether there are any potential areas of risk or other issues that may affect the Meeting's financial stability in the future.

We have, in previous years, referred to the Meeting's decision not to renew its insurance cover as an area of ongoing potential concern and recommended that the matter be debated and reaffirmed at each year's Annual Meeting.

*No new issues arise.*

## **Budgetary Control**

The Chairman has again prepared a detailed assessment of the financial requirements for 2016-17, which has been used to determine that there is no precept requirement for the financial year.

We consider the level of year-end cash balance to be appropriate for the ongoing expenditure of the Parish Meeting.

*No issues arise in this area.*

## **Review of Income**

The Meeting has only limited sources of income, primarily the annual precept, which is currently zero, together with a contribution towards the cost of grass cutting. We again note receipt in 2015-16 of £527.00 "New Homes Bonus" detail of which has been recorded appropriately in the Accounts and Annual Return prepared by the Chairman.

*No issues arise from our testing of receipts and banking during the year.*

## **Petty Cash Account**

*The Meeting does not operate a petty cash account.*

## **Salaries and wages**

*The Meeting pays no salaries or wages.*

## **Asset Registers**

The Governance and Accountability Manual stipulates that all Parish Councils and Meetings should maintain a Register of Assets. We are pleased to note that a simple register remains in place with relevant detail disclosed appropriately in the Supporting Statement to the Receipts and Payments Account and Annual Return with no change in value to that reported previously.

*No matters arise.*

## **Investments and Loans**

*The Meeting holds no long-term investments or loans warranting disclosure in the Statement of Accounts.*

## **Bank Reconciliations**

A formal reconciliation between the bank account and cashbook has been prepared as at 9<sup>th</sup> February 2016, as no subsequent bank statement is available and is included in the detailed Annual Statement of Accounts presented to and adopted at the Annual Meeting in April 2016, no long outstanding cheques or anomalies being apparent on the bank account during the course of the year.

*No matters arise in relation to operation of the bank accounts or its reconciliation to the spreadsheet cashbook.*

## **Statement of Accounts and Annual Return**

We are pleased to again note that a formal Statement of Accounts has been prepared, together with a supplementary statement supporting the Accounts. These have been submitted to and approved by the Annual Meeting held in April 2016.

We have agreed detail of the accounting transactions recorded in this Statement of Accounts and Annual Return for 2015-16 to the supporting records maintained by the Chairman.

*No issues arise with regard to the detail in the Annual Return and we have duly signed off the Internal Audit Report in the year's Annual Return assigning positive assurances in all relevant areas.*