

HERNHILL PARISH COUNCIL

INTERNAL AUDIT REPORT 2015 - 2016

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2015 – 2016.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. I have, therefore, been able to complete Section 4 of the Annual Return.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 9 May 2016.

PREVIOUS AUDITS:

External Audit Certificate 2014 - 2015:

The External Audit Certificate for 2014 - 2015 (Section 3 of the 2013 - 2014 Annual Return) was unqualified and dated 1 September 2015.

The External Auditor raised two minor matters on the audit certificate regarding the date of approval of the 2014-2015 Annual Return and the appointment of the Independent Internal Auditor, including the scope of the internal audit. I discussed these comments with the Clerk.

FINDINGS THIS VISIT:

During the visit I carried out work which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook.

Cashbook:

The cashbook was up to date and there was a good audit trail to the receipt and payment vouchers.

Bank Reconciliations:

Bank reconciliations have been carried out and there were no unexplained entries.

Value Added Tax:

The VAT records were accurate and up to date.

Payroll:

The HMRC requirements for Real Time Information have been met.

Insurances:

The level of cover in respect of Employee Dishonesty is currently £150,000 and meets the recommended minimum level of cover.

Minutes:

It is good practice for all the pages of loose leaf minutes to be initialled/signed by the person presiding over the meeting at which they are approved.

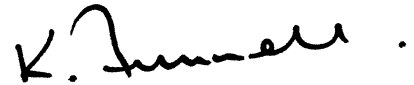
Standing Orders and Financial Regulations:

The Parish Council's Standing Orders and Financial Regulations are reviewed annually at the June Meeting. The last review was carried out at the meeting held on 24 June 2015 (Minute No. 18).

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Asset Register:

The Parish Council's Asset Register is up to date.



**Kevin Funnell, F.M.A.A.T.
Independent Internal Auditor
9 May 2016**