

Supplementary Internal Audit of Accounts

Colmworth Parish Council

Date: 11/7/2016

Internal Auditor: Michelle Riches MAAT ACMA CGMA, White Rose Cottage, Little Staughton

The new Clerk to the Parish Council Lucy Crawford requested a supplementary internal audit of Colmworth's Chronicle Account. This was because the account had not been included in the internal audit conducted on 24th May 2016. The previous Clerk had reported the main Parish Council account in the usual way and this was audited by myself in May of this year. However, she believed the Chronicle newsletter account to be a separate account not governed by the usual Parish Council arrangements and had therefore not declared it to me in May or reported it to the Parish Council during the year. It had not been included in the end of year accounting statements. However, it is a Community Account in the name of the Parish Council and was set up with funds from the Parish Council. It was also included in the Financial Regulations which were in place during the years it was in operation. It must therefore be treated as a Parish Council account. I have now audited this additional account. Transactions had been recorded separately but not reported to the Council as per Financial Regulations. Transactions have now been included in the cash book and accounting statements.

I have ticked "no" for the following boxes of the internal audit because:

- A. Appropriate accounting records have now been prepared which reconcile with the bank balance but were not kept properly throughout the year due to the lack of reporting of the Chronicle account.
- B. The Parish Council has not met its financial regulations because the regulations state that the Council follows NALC regulations but these specifically state that the only person permitted to use a debit card is the Clerk / Responsible Financial Officer. In practice the Chairman was using a debit card. A single signature was being used to authorise payments and payments were not approved by anyone else.
- C. The Council did not assess the risks because there was no risk assessment in place. The Clerk has now prepared one which is due to be adopted by the Parish Council at their next meeting on 13th July 2016.
- D. The precept and budget were monitored and reserves were appropriate given that £13726 were earmarked for the early repayment of the PWLB loan, the Gardening Club and the Chronicle Newsletter. Unearmarked reserves were at about 9 months of budgeted spending. However the budget did not include the Chronicle income and expenditure and this was not reported regularly as per the financial regulations.
- I. Periodic bank reconciliations were not carried out and reported to the Council for the Chronicle account but they were on the main account.

I have ticked "yes" for:

- E. Expected income was received and recorded accurately because there was an accurate copy of all transactions on the Chronicle account – it just hadn't been reported to the Council.

H. The asset register is now correct after restating last year's values and including all of this year's assets purchased.

J. The accounting statements for the main account were prepared correctly and for the Chronicle account there were accurate records kept which have now been added to the cash book. There is an adequate audit trail of invoices being checked against bank statements and debtors and creditors were properly recorded throughout the year.

I have put N/A for:

F. No petty cash was used.

The Clerk has now put a hard copy of the cash book and budget for 2015/16 in the file containing the minutes and all transactions will be reported in the minutes as per my recommendations from my previous audit in May.

Best wishes,

Michelle Riches