Great Denham Parish Council Internal Audit 2017/18

I have carried out an internal audit of the Accounts of the Parish Council in and have completed and signed Page 3 of the Audit Commission Annual Return. Again, it was pleasing to see the actions that had been taken forwards from last year's report.

There are a few items the Council should note:
- When reviewing the budget as part of the precept setting process, the Council should ensure budget levels are realistic, there were some budgets which when looking at previous actual figures could have been better forecast. In such cases as training and mileage it can be better to round up estimations.
- To help with the budget scrutiny, items not budgeted for, such as expenditure on the Community Hall and specific Section 106 payment it may be better to separate them out so they do not look so over spent. For example, have a separate section for them if the expenditure is being taken from specific reserves set aside for those purposes. It then shows that your budget management is accurate and these separate items are being accounted for separately and appropriately. If you feel they should be part of the ongoing budget, and accounted for as part of the precept then do include them with estimates under the budget for payments.
- Just note that your year end balances were taken from statements that end on 29th March 2018, and not on 31st March. This is just a small point but when you are stating and declaring statements up to 31st March you should include these as accurately as possible.
- When reviewing the calculations used for the Annual Return the figures for the staff costs are not entirely clear, as to what costs have or have not been included. If you do include all staff expenses then perhaps group the ones you do include together for ease of understanding in the future.
- The Annual Return Box 8 figure should read 32,864, your bank reconciliation figure shows 32,863.56 so this needs rounding up to. This does mean that when you + and – the other box figures you would be out by £1 on the figure in Box 8. It is usual practice to therefore adjust one of the figures up or down by £1 in Box 3 to 6 to then realign the total in Box 8. This is a common adjustment that the external auditors would expect to see and by making them you are then not going to get a point raised on the bank reconciliation being out.

The financial records and supporting documents provided show the Parish Council have maintained true and accurate financial records for the year 2017/18.

If you have questions on any of the above or require clarification then please do not hesitate to contact me.

Yours sincerely

Lizzie Barnicoat
MAAT, CiLCA