

# Annual internal audit report 2015/16 to

# COPY

Enter name of smaller authority here:

**MARLESFORD PARISH COUNCIL**

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. 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 debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

**Petty Cash & Assets ARE NOT HELD & NOT COVERED.**

Name of person who carried out the internal audit **CAROL PARRY**

Signature of person who carried out the internal audit **[Signature]** Date **29/06/2016**

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed)  
 \*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).



## Introduction

The following matters have been raised to draw items to the attention of Marlesford Parish Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2016. This report must be presented to a full meeting of the smaller authority for review.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Minor issues
-

---

The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the council so they do not occur again in future years.

**Minor issues**

*What is the issue?*

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The comparative figures in section 2 do not agree to the audited figures for last year and the carry forward figure is different to last year's audited figure by £1.

The smaller authority has included grant monies received in box 2, rather than box 3, other receipts.

*Why has this issue been raised?*

This is to draw these minor errors to the attention of the smaller authority.

*What do we recommend you do?*

The smaller authority should ensure in future years that the above minor errors or omissions are not included in the Accounting Statements.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 11 August 2016

---

Marlesford Parish Council Accounts Summary Year Ending 31/3/16

RECEIPTS		PAYMENTS		
08/06/14	Deposit AC interest	£ 0.11	01/06/15 Hire: Marlesford Community Centre	£ 120.00
07/09/15	Deposit AC interest	£ 0.10	01/06/15 Bowling Green Insurance Premium	£ 16.40
07/12/15	Deposit AC interest	£ 0.10	02/06/15 SALC subscription	£ 123.00
07/03/16	Deposit AC interest	£ 0.10	25/08/15 Bus Shelter cleaning	£ 30.00
06/01/16	Returned cheque - 354	£ 700.00	12/11/15 J Faulkner - clerk expenses	£ 120.00
29/04/15	Current AC SCDC Precept	£ 1,025.19	17/11/15 J Faulkner - PAYE	£ 80.00
30/09/15	Current AC SCDC Precept	£ 1,025.18	04/12/15 Rental subsidy: Community Café	£ 250.00
	Balance Brought Fwd from PY	£ 1,875.13	16/12/15 Uncontested election fee (SCDC)	£ 100.00
			06/01/16 Bus shelter roof refurbishment	£ 700.00
	<b>Total Receipts</b>	<b>£ 4,625.91</b>	<b>Total payments</b>	<b>£ 1,539.40</b>
			<b>Brought Forward</b>	<b>£ 3,086.51</b>
<b>31/03/16 BANK RECONCILIATION</b>				
	Deposit Account	£ 835.08		
	Current Account	£ 2,251.43		
		<b>£ 3,086.51</b>		

## Explanation of Variances

**Box 2:** The Council agreed an increased precept in 2015 (£981 to £2,050), to allow for repairs to the village bus shelter, estimated to be in the region of £1,000.

**Box 3:** The variance of £700 regards a cheque returned by the bank unpaid because it claimed it did not hold a current signature mandate. The Council is addressing the issue with the bank.

**Box 4:** Staff costs are lower in 2015 (£200 versus £400) due to a change in Clerk at the end of the year. The new Clerk will receive this payment in 2016/17.

**Box 6:** The variance in 'all other payments' is largely due to:

1. A small grant of £250 awarded by the Council to support a community café, and
2. Expenditure of £700 for the bus shelter repairs mentioned above.

**Box 8:** It should be noted that – as a result of the banking issue described in the note regarding Box 3 above – at 31 March 2016 the Council has unsettled liabilities of £885. As a result, while the total value of cash in hand is £3,086, the actual cash available is £2,201. This expenditure will be recorded in the 2016/17 annual return.

Unsettled liabilities are:

- Webhosting:	£112
- Bus shelter repair:	£700
- Membership: Campaign for the Protection of Rural England:	£36
- Donation: Disability Advisory Service:	£20
- Remembrance wreath	£17