

INTERNAL AUDIT REPORT
STAPELEY AND DISTRICT PARISH COUNCIL
2013/2014

The internal audit of Stapeley and District Parish Council was carried out by undertaking the following tests as specified by the Audit Commission on Section 4 of the Annual Return for Local Councils in England and Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

.....*JDM Business Services Ltd*.....

JDH Business Services Limited

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	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>VAT has not been reclaimed in 2013/14. The financial regulations of the council state that VAT should be reclaimed annually.</p>	<p><i>VAT should be reclaimed on a timely basis.</i></p>	
	<p>Guidance note for 2014/15 Following the repeal of section 150(5) of the Local Government Act 1972 in March 2014, Councils now are not required by law to have cheques or other orders for payment signed by two elected members.</p>	<p><i>If the Council decide they would like to make any changes to how payments are made it is important that they review the recent guidance issued by SLCC and ensure that any new internal controls meet these requirements. Any changes to internal controls over payments in light of the repeal will be reviewed in future audits.</i></p>	
2012/13 issues			
1	<p>The parish council leased the community hall from Cheshire East Council from November 2012. We have been notified that activity has increased in 2013/14 and that instances of concessionary rates being offered to users have been identified. We understand the concessionary rates have been agreed with customers by volunteers on the Community Hall Management Committee without the knowledge of the Parish Council.</p>	<p><i>The fees approved by council for customers of the community hall should be applied to all hall hire invoices. If discounts are to be offered, for instance for block bookings, the discounts must be those approved by Council in the schedule of fees.</i></p>	Implemented