

Stapeley & District Parish Council
Review of Effectiveness of Internal Audit 2018-2019

In accordance with the Accounts and Audit (Amendment) (England) Regulations 2006, Stapeley & District Parish Council is required to carry out a review of the effectiveness of the internal audit of the Council's accounting, financial and other operations. The Regulations require that the review of the effectiveness of the system of internal audit precedes the annual governance review.

The Parish Council is asked to confirm if standards have been met, as indicated below.

Standard	Evidence of Achievement	Standard Met?
1. Scope of Internal Audit	<p>The scope of the audit work requires provision of the following documents/information and is in accordance with Appendix 8 of <i>Governance and Accountability in Local Councils in England and Wales, A Practitioners Guide 2003</i>, namely, proper book-keeping; application of Standing Orders, Financial Regulations and payment controls; risk management arrangements; budgetary controls, income controls; payroll controls; assets controls; bank reconciliations; and year-end procedures.</p> <ul style="list-style-type: none"> • Completed Annual Return • Prior year's certified Annual Return • Prior year audit issues arising, as reported to the Council by the external auditor. • Response to previous year internal audit report (evidence provided in Minutes of Council meeting) • Risk assessment carried out during the financial year. • Insurance documents • Cash book (or equivalent) and bank reconciliations. Excel ledger spreadsheets are provided for the Parish Council's account. A separate detailed ledger is provided to show Community Hall receipts. • Ensuring that S.137 grants are shown as separate entries. • Bank statements for the financial year up to the date of audit. • All expenditure vouchers/invoices. • Calendar of bookings for Community Hall to ensure that records for income can be reconciled to bookings. • Any changes to Standing Orders and/or Financial Regulations during the year. • All payroll records and HMRC returns, including contract of employment. • VAT returns and supporting VAT records. • Evidence of precept notification from Cheshire East Council. • Evidence of authorisation for Clerk's salary and Clerk/Members' expenses. • Fixed assets register together with valuations. • Budgetary control information including the calculation of the precept requirement. 	

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2. Independence	The Internal Auditor has direct access to the RFO (i.e. the Clerk) and reports annually to the Council. JDH Business Services Ltd. has no operational role in the preparation of the accounts.	
3. Competence	The Internal Auditor is competent within the meaning of the Regulations and provides an internal audit service for numerous town and parish council accounts across Cheshire. The company is, therefore, familiar with the public sector and has a comprehensive understanding of the powers and duties of town and parish councils.	
4. Audit Planning and Reporting	<p>The Internal Auditor reported on the accounts for 2016-2017 and his report was submitted to Council on 15 May 2017.</p> <p>A minor issue was raised in respect of the Clerk's salary level as completed on his report, but this was an error and the Internal Auditor revised his report to acknowledge this and his revised report was submitted to the Council on 19 June 2017.</p>	
5. Compliance with Financial Regulations	<p>The Clerk/RFO produces quarterly statements for the Parish Council.</p> <p>Each cheque is signed by two Councillors who are authorised signatories; corresponding invoices and cheque stubs are initialled as verification of the amount paid.</p>	