

Annual Internal Audit Report 2017/18

Hilderstone Parish Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this 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 authority.

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

K. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

01/05/2018

Name of person who carried out the internal audit

CHRISTINE HEELIS

Signature of person who carried out the internal audit

C. Heelis

Date

01/05/18

* Please see attached report.

*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, the annual internal audit report must explain why not (add separate sheets if needed).

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May 1st, 2018

Dear Councillors,

Conclusion of Internal Audit for Hilderstone Parish Council - Year ended March 31st, 2018

I am writing to confirm that I have carried out the year-end review for Hilderstone Parish Council and have completed and signed the appropriate page of the Annual Governance and Accountability Return, Part 2, Please note the following:-

- **Internal control, objective D** – During the course of the Audit examination it was noted that the Clerk had reported to Council that VAT on purchases / goods would not be reclaimed as the value was insignificant. Please see attached excerpt from the minutes dated January 24th 2018. The VAT element of invoices should be recorded separately on the Council's account and reclaimed as necessary, this can be every two or three years if the amounts involved are small. The new Clerk is aware of this issue.
- **Fixed Assets** - It was also noted that although the previous Clerk had maintained a list of assets the value had not been entered on the return. The new Clerk has contacted Mazars and restated the purchase value figure for 2016-17.

The independent internal examination of the Council's governance, financial affairs and certification of the 2017 – 18 Annual Return to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 (as amended) and embodied in the Governance and Accountability Practitioners Guide 2018.

In summary the following areas were covered during the course of the examination:-

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Control
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures

In addition a review of the Council's website was also undertaken to evaluate conformance to the Local Government Transparency Code 2015, which is to be viewed as the minimum standard.

Please note that a copy of this report should be submitted to the external auditor together with the Annual Return.

Yours sincerely,

C. Heelis

Christine Heelis
Independent Internal Auditor

Children's Activity Afternoon, Sunday 24th June, 2.00 – 4.00pm, Hilderstone Village Hall
Further details nearer the time.

Jumble Sale, Saturday 15th September, 2.00pm in Hilderstone Village Hall. Donations of jumble gratefully received at the Hall from 10.00am. All proceeds to the village Christmas Party and Church funds.

Village Christmas Party, Tuesday 11th December, 7.00 for 7.30pm in Hilderstone Village Hall. Further details to follow nearer the time.

11. Correspondence.

- **Members' Digest 238**

Members' Digest 237 (Cllr. Crump).

pp5.23-5.24. Application 17/2465/FUL proposed detached dormer bungalow on land to rear of Jesmonde, Sandon Road, Hilderstone, Stone, Staffordshire. Report of Head of Economic Development and Planning regarding this matter. The Development Manager reported two further representations received in respect of this application. Councillor F. Beatty addressed the Committee and explained her reason for calling it in:- Its location in a conservation area and green belt, neighbour concerned at being overlooked, concerns on design of the property etc. The Committee raised a number of issues:- Concern that the proposal was for a dormer bungalow, concern over location of proposed windows, etc. Decided to refuse the application on the grounds of adverse impact on the Conservation Area and additional harm to the openness of the green belt.

pp6.21-6.22. Businesses and organisations in Stone to pledge support to rid the area of litter. Launch took place on 12 October 2017 in Stone town centre. Nearly 200 people have been given on the spot fines for dropping litter in the streets of Stafford Borough. Most of the offences for dropping cigarette butts. Apparently it costs the Borough Council £1 million every year to keep it clean. (Fines £75 for dropping litter – 193 people involved).

12. Finance. The monthly accounts were presented and signed by the Chairman. The current account is £9274.04 in credit and the deposit account £3121.38 in credit. Although most of these funds are allocated as indicated by the monthly accounts which are circulated to all Councillors prior to each meeting. The following payments were approved:

1. Mrs H . Howie, Clerk's Mileage & Telephone Costs - £10.18.
2. Mr W.H. Holmes, Village & Highways Maintenance - £143.75.

The Clerk had calculated that the Parish Council could possibly claim back Value Added Tax (VAT) in the region of £250 per annum, based on the current average non-business expenditure. As this is a relatively low amount, it may not be worth the additional administration time required in making quarterly VAT claims. If in the future, the Parish Council used a VAT registered contractor for village and highways maintenance, then it probably would be worth claiming. Hilderstone Parish Council does not undertake business activities above the current threshold of approximately £5,000 of turnover and is therefore not liable to pay VAT.

13. Any Other Business. It was agreed that the interviews for the Parish Clerk post need to take place in the first week of March 2018. The Clerk will circulate some dates after the meeting to establish councillor availability. The post has been advertised on the village notice boards, village website, via the Village Information Network and in the Staffordshire Parish Councils Association weekly bulletin. The Clerk has also requested that details of the vacancy be placed in the February edition of the Village Magazine. The current clerk will not be available to work for the Parish Council after 28th March 2018 meeting, so if the post is not filled before this date, contingency arrangements will need to be made.