

WAKES COLNE PARISH COUNCIL – FINANCIAL STATEMENTS 2014-15

Report by the Internal Auditor

Introduction

Council members will be aware that your Clerk, Diane Jacob, now is also clerk to another parish council, where I have been the Internal Auditor for more years than I care to recall. Over the last year she and I have pooled our resources and skills to bring a degree of consistency in the financial statements of both parish councils. I believe this is the first time for a while that you are being presented with an annual summary of receipts and payments in a form consistent with a “not for profit” organisation with an annual turnover well under £25,000. We hope this is useful.

I attended, by appointment, the home of the Clerk on Friday 10th and Monday 27th April and was impressed by the standard of care in record keeping generally maintained by the Clerk. She and I have discussed a few minor improvements that would enhance the ‘audit trail’, but nothing of any major significance. One, that affects Councillors, is noted below.

Proper Book-keeping

The cash book is in good order and provides an excellent tool for financial management. A single spreadsheet file contains a fully analysed cash book and a largely self-completing Annual Summary Statement. All supporting vouchers (receipts and payments) are in place adequately cross-referenced both with Council’s Minutes and within the financial records. A minor improvement (in audit trail) could be achieved if Councillors were kind enough to sign (or initial) the invoices, in addition to the cheque-book stubs. Invoices are a better archive record than old cheque-book stubs! All due payments are properly presented to Council before payment each month.

Bank Reconciliation and year-end procedures

The accounting system aids this process and I confirm that the Accounts reconcile with the cash held at the bank. All transactions are correctly recorded in the cash book.

Standing Orders and Financial Regulations

Appropriate sets of Standing Orders and Financial Orders are in place and reviewed regularly; they were re-adopted at the Annual General Meeting on 7th May 2014 and revised at the meeting held on 5th November 2014. VAT is properly accounted for and a re-payment claim for the year was submitted to HMRC on 31st March 2015.

Risk Management arrangements

These are reviewed annually and on 7th May 2014 the formal documents were approved covering Risk Assessments, Strategic Risk Register, Terms of Reference for the Employment Committee and a Publication Scheme under the provisions of the Freedom of Information Act 2000. Insurance cover is in place for items on the council’s Asset Register and insurers were re-appointed at Council’s meeting on 7th May 2014.

Budgetary Controls

Receipts: The principal revenue is derived from the Precept (Council Tax) which is set by Council annually in the autumn. The duly authorised sum, £12,050,

(unchanged from 2013-14) is correctly recorded as received. There is no handling of cash and therefore no petty cash account.

Payments: Expenditure against a properly constructed and approved budget is reported to Council monthly. The payroll is out-sourced and where necessary PAYE tax and National Insurance Contributions are properly recorded and accounted for. A Pension Plan for the Clerk is also in place and this is effectively managed through the payroll system.

Potential future financial liabilities

Checks have been made to identify any potential future liabilities and, where necessary, shown in Note 3 to the Financial Statements "below" the year-end balances.

External Audit by the Government Office

The external audit report for last year has been seen and addressed.

Annual Return

I have overseen the completion of the Annual Return and signed the Internal Auditors' page.

Conclusion

Wakes Colne Parish Council is in good hands through its Clerk.



John Reddington
Internal Auditor

27th April 2015
Coggeshall