

ALDINGBOURNE PARISH COUNCIL
Locum Clerk – Mrs JKM Brown
100 Middleton Road
Middleton on Sea
PO22 6DL 01243
582667

NOTICE OF MEETING AND AGENDA

Your attendance is requested at the Meeting of the **Finance Committee** of the Parish Council to be held in the Community Centre, Oliver's Meadow commencing at 7.30 p.m. on Tuesday 13th June 2017.

AGENDA

1. Apologies for absence.
2. Other items for discussion (not on Agenda but considered by the Chairman to be of an urgent nature.)
3. Declarations under the Code of Conduct – *Members are reminded that they are required to make a declaration in relation to any item on this Agenda in which they may have an interest.*
4. Minutes of the previous meeting – 29th November 2016
5. To consider Internal Audit report 2016 17
6. Business planning 2016- 2021
7. Date of next meeting. - TBA

Mrs. J. Brown, Clerk,

23rd November 2016

ALDINGBOURNE PARISH COUNCIL

INTERNAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH 2017

3. FINDINGS

- 3.1 The accounts and financial records supplied have been examined and in the opinion of the auditor, the Receipts and Payments Account and balances reported generally represent a true and fair view of the state of affairs of the Council as at 31st March 2017 and of its transactions in the year then ended. There were however some findings while carrying out the audit as reported below;
- 3.2 On receipt of the draft accounts the Accounting statement largely represent the true figures for expenditure and income, however 3p of bank interest had not been included in the income figures, but the remainder of the income and the expenditure reconciled with the physical bank statements and cheques written (expenditure). The "Summary Receipts and Payments" report presented did still include balances for;

Cannon Jolly account
Sportsfield Capitalisation account and
Petty Cash

As per external audit the 2 accounts should not be included in the annual return for Aldingbourne Parish Council.

- 3.3 The petty cash was written off after further discussions with the clerk, (as per previous internal audit request) due to no physical sums. Amended statements (Summary receipts & payments) were not provided at the time of writing.
- 3.4 No documentation was seen to support the balance shown for the Cannon Jolly account and the statement provided for the Sportsfield Capitalisation accounts shows a balance of £7,501.87 at April 17 yet the balance included in the statement is £7,131.49 + £150.64 interest, the clerk states has been added (no documents shown at the time of writing to confirm this). It is understood that these accounts have arisen due to land being given to the Council and interest is accrued on these accounts each year. There are difficulties in getting documents for the Cannon Jolly account in particular as the name on the account has not been transferred to the current clerk.

Recommendation 1

A decision needs to be made regarding the Cannon Jolly account and Sportsfield Capitalisation account, and work must be done to ensure that the Council has access to the statements enabling accurate accounts to be submitted.

- 3.5 The bank reconciliation provided (Summary Receipts and Payment report) did not reconcile with the physical bank statements as -0.06p had been included for BBRT but it was established this was a coding error. It is believed 3p relates to 16/17 accounts and should be posted to income, but a journal provided by the clerk shows 6p was put to the income code (3p from previous year). Statements for the Current account and Business Base Rate Tracker account were provided and reconcile.

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Recommendation 4

All payments and income should have supporting documentation substantiating them and to ensure accuracy.

Recommendation 5

Mileage claimed should be documented on a standard form noting the date of mileage, journey and amount to be claimed.

Recommendation 6

The VAT claim report should reconcile with the amounts listed on each VAT invoice paid, ensuring all Vat sums are claimed in a timely manner.

- 3.12 The list of Council assets did not include £6,180 of fencing that was listed on the insurance documents, but has now been added so that the Asset register now reconciles with the insurance documents.
- 3.13 The minutes of the meetings held during the year were examined for given approval for all expenditure. No minutes could be located for August 16 and the July 16 and February 17 minutes were not signed. No approval could be seen for 6 payments equalling £4,024.17 and on 2 occasions the approval was for a different amount to that paid (these were not material).

4 SUMMARY & OPINION

- 4.1 One of the roles of internal audit is to give assurance to Members of the Council that the financial systems are operating correctly and can be relied upon.
- 4.2 In connection with my examination and having regard to this item reported herewith, no major matter has come to my attention that gives me reasonable cause to believe in any material respect that the regulatory requirements have not been complied with, however an improvement in retaining source documentation to support payments and VAT claims is required. Also, consistency in recording wages and approving these payments need to be addressed.
- 4.3 The accounting arrangements, procedural controls, records and documentary evidence are, in the main, considered to be satisfactory and accurately report the council's financial position.

Sian Southerton
4th June, 2017