

Yeoman Cottage
Church Road
Wacton
NR15 2UG

12/05/2016

Wacton Parish Council
4 Church Cottages
Wacton
NR15 2UG

Audit of Annual Return for the Year ended 31 March 2016.

Terms of Reference

As a smaller authority, the Parish Council is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of financial control. This is the first occasion I have completed this work. I have an Association of Accounting Technician qualification and nine years public sector audit experience and am competent to provide this internal audit work.

Summary

Internal audit has been carried out in accordance with this smaller authority's needs in agreement with the Responsible Finance Officer/Parish Clerk (RFO) and in line with Public Sector Internal Audit Standards. Assurance for the operation of internal control objectives (as stated within the annual return) was gathered through the examination of accounting records and supporting documentation and through discussion with the RFO.

In all significant respects, the control objectives were achieved throughout the financial year to a standard adequate to meet the needs of Wacton Parish Council. The RFO has kept appropriate accounting records, gathered approval for expenditure and provided appropriate financial information to the Parish Council throughout the year. One finding by exception has been made with recommendations for action to be taken. In addition some good practice recommendations have been made for the Parish Council's consideration. Outcomes of the assurance work have been discussed with the RFO.

Income and Expenditure Records

Finding: A grant receipt for £250 for December 2015 has been retained but there is no corresponding accounting record for this amount. The accounting and banking records show that £198.62 was received by the Parish Council in respect of the grant in January 2016. A breakdown document in the records reconciles to the grant but does not clearly record the nature or reason for each item of expenditure and no VAT receipts were retained.

Implication: Accounting records may not be correct and complete.

Action to be Taken: In order to meet accounting requirements, all income for the Parish Council must be fully received and banked intact. When expenditure is made against income, a breakdown of expenditure and supporting VAT receipts or a note

explaining the costs should be clearly recorded. All documents must then be retained to support the accounting record.

Good Practice Recommendations

Financial Regulations are not published on the PC website. The RFO has advised that there are plans for a new website to be set up in the near future.

To support the Parish Council in demonstrating transparency and accountability it is recommended that approved Financial Regulations are published when the new website is in operation.

Financial Regulations Section 17 states that the Council is responsible for putting in place arrangements for the management of risk.

It is recommended that the Parish Council implements a simple risk management policy and schedule in order to assess and review risks on an on-going basis. A suitable template can be found on the internet.

A revaluation of assets was conducted by the Parish Clerk in 2013/14 after taking over the position. It was noted at the time that assets had not been depreciated for some time and values were inaccurate. The revaluation was approved by the Parish Council. The Parish Council has not decided or approved a depreciation method since that time and it is recommended that this is considered along with the annual review of assets.

I would like to thank the RFO for her co-operation and commend for her conscientiousness in her approach to her work for the Parish Council.

Kind Regards

Philippa Agent