

2016/17 Internal Audit Report to the Ewshot Parish Council

This Report is intended to meet the requirements of Clause 2.6 of the Council's Financial Regulations, and is relevant also to the Internal Audit Report required to be incorporated within the 2016/17 Annual Return.

1 Accounting and controls

On the basis of checks carried out to meet the coverage needed for internal audit purposes, I believe that the accounting records properly reflect receipts and payments during the year, and that controls on transactions have been appropriate and effective. Detailed supporting documentation, including minuted Council approvals, has been meticulously maintained.

2 Financial statements

Regular quarterly reporting to the Council has been prepared on a receipts and payments basis. Assistance was given during the internal audit to adjust the full year results to accruals accounting, providing the year-end figures for inclusion in the Annual Return, consistent with the basis adopted in previous years.

3 Budgetary control

The annual budget is prepared in the context of the Precept submission, and non-cash provisions for major *future* expenditure are included with annual running costs, making comparisons with quarterly reports on a receipts and payments basis a little confusing to follow. Also the budget has not included any *projection* of reserves (or bank balances), with an analysis of these reserves between specific requirements and "general" working reserves. Over the two years to 31st March 2017 reserves (as shown in the Annual Report) have increased from £17,337 to £36,704 (the bank balance reaching £64,697 after receipt of the 2017/18 precept on 10th April 2017). The reserves were originally budgeted to increase by a further £3,000 to £5,000 over 2017/18, but I understand this has since been reconsidered.

I suggest that for working purposes the annual budget should in future be set out in a form permitting easier comparison with actual receipts and payments in the year, and that it should include a "balance sheet" projection to show the development of reserves/bank balances and an analysis of their purpose.

I should like to thank Alison Ball for her help and cooperation during the internal audit and preparation of the figures for the Annual Report.



M R T Willings

27th April 2017