

## 2017/18 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 2017/18 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 continued to be meticulously maintained.

### 2 Financial statements

Regular reporting to the Council has continued, on a receipts and payments basis. As RFO the Clerk prepared the adjustment of the year's figures to an accruals accounting basis, providing correct year-end data for inclusion in the Annual Return, consistent with the basis adopted in previous years.

### 3 Budgetary control

The original budget for 2017/18 provided for total expenditure during the year of £23,100 (excluding 'reserves' and 'contingencies'), including £1,200 for 'capital expenditure'. *Actual* expenditure on 'capital items' was £15,202, bringing total expenditure for the year up to £28,385 (after substantial *savings*, compared with budget, on various other items). Reserves over the 2017/18 year were accordingly *reduced* - by £1,173 - and cash balances reduced by £3,122 (as will be shown in the accounting statements section of the Annual Return), compared with an *increase* of £5,000 in reserves implied by the original budget.

Budgetary control in 2017/18 has therefore been a rather confusing exercise: this seems to support the suggestion in my report last year that the budget should be prepared with more clarity on the expected future level of reserves, and how these are allocated between specific and general working requirements. I was pleased to see that for the 2018/19 budget process, much more care has gone into planning the adoption, timing and potential cost of future projects, which should enable better budgetary control of reserve and cash levels.

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

  
M R T Willings

30<sup>th</sup> April 2018