

STAVELEY TOWN COUNCIL
INDEPENDENT INTERNAL AUDITORS REPORT
FOR THE YEAR ENDED 31ST MARCH 2018

Further to instructions received I have undertaken an internal audit of the Council's books and records in accordance with the Council's requirements and planned coverage under the guidelines of Governance and Accountability for Local Councils.

This work has been carried out on a sample basis so as to provide an assessment of compliance with the relevant policy and controls that are expected to be in operation during the above financial year. Where areas of concern are encountered additional work is undertaken to ascertain the extent of the problem and to form an opinion as to the effect on Council finances. Advice can then be given to correct the situation and the Council can then agree further controls where necessary to ensure future compliance with regulations. My audit has covered the work carried out by the Clerk to the Council and staff who were in office during the above year ensuring that relevant regulations have been met and the Council's resolutions have been carried out in a proper and timely manner. The following areas were subject to inspection.

Observance of Financial Regulations.
Observance of Standing Orders.
Operation and Reconciliation of Bank Accounts.
Cash Book Receipts and Payments.
Invoices Received.
Invoices Raised.
Value Added Tax Returns.
Preparation of Accounts.
Fixed Assets.
Council Minutes, Resolutions and Authorised Payments.
Risk Assessment.
Adequacy of Insurance cover.
Payroll Records.
Precept requirement and Budget.
Adequacy of Council Reserves.

Continued.

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My inspection of the Council's books and records for the year ended 31st March 2018 has not found any areas of concern that require me to give a NO response to any section of the Town Council's Annual Return Internal Audit section.

In conclusion I can report that my inspection of Staveley Town Council's records has found that the internal control system that was in place during the year ended 31st March 2018 was working well and met the needs of the Town Council to a good level.

I have reported on the Reserves before and I am aware of the legacy issues that have affected this matter in the past but as a recommendation I would like to add that the Town Council's Reserves, which were still at a low level at 31st March 2018, should be looked at with a view to building them up. I have discussed this situation with the Clerk and he has indicated that there are plans currently in place to increase the Reserves during the 2018/19 year and that improvement will be seen by the end of this financial year.



J S Marriott
Accountant
214 North Wingfield Road
Grassmoor
Chesterfield
S42 5ED

17th May 2018

Annual Internal Audit Report 2017/18

STAVELEY TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

14/05/2018

Name of person who carried out the internal audit

JOHN S. MARRIOTT,

Signature of person who carried out the internal audit



Date

14/05/2018

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).