



**Internal Audit Report
Year ending: 31st March 2015**

Name of Council:	Hopton cum Knettishall Parish Council
Income:	£ 9,919.00
Expenditure:	£ 9,310.00
Precept figure:	£ 6,483.00
General Reserve:	£ 44,718.00
Earmarked Reserves:	£ 3,908.00

Subject	Requirements	Comments/Recommendations
1. Proper Book-keeping	Type of cash book or ledger used.	Handwritten cash book kept for income and expenditure.
	Cash book kept up to date and regularly verified against bank statement.	Balances agree with year-end accounts.
	Correct arithmetic and balancing.	Spot checks were made and were found to be correct.
2. Financial regulations, standing orders, payment controls	Evidence that standing orders and financial regulations have been adopted and reviewed regularly.	Standing orders will be reviewed in April 2015, and financial regulations in May 2015.
	Supporting paperwork for payments, and appropriate authorisation.	Random payments were selected and cross checked against cheque book, cash book, bank statement, invoice and minutes. Invoices were not included in the documents for audit. All other checks were found to be in order.
	VAT is identified and reclaimed.	VAT to be reclaimed for £140.20.
	S137 separately recorded and minuted.	Payments made totalling £305, all were found to be in order.
	Does the council use General Power of Competence.	No.
	Payments of interest and principal sums in respect of loans, are paid in accordance with agreements.	Not applicable.

3. Risk management	Evidence that risks are being identified and managed.	A financial management and general risk assessment document was seen this was adopted at meeting 10 September 2012. The document was referred to in the May 2014 minutes but not reviewed and adopted. Recommendation: This document should be reviewed and adopted on an annual basis.
	Appropriate Insurance cover for employment, public liability and fidelity guarantee.	All were found to be in order. Fidelity guarantee cover is for £25,000.
4. Budgetary controls	Verifying that the budget has been properly prepared, and agreed.	The budget and precept were agreed at council meeting 14 October 2013.
	Regular reporting of expenditure and variances from budget.	Reporting of Income/expenditure against budget was not minuted during year. Recommendation: That the council review the budget position during the financial year.
5. Income controls	Monitoring of precept and any other Income.	All were found to be in order.
6. Petty cash/expenses procedure	Established system in place, and associated supporting documents	A petty cash book was seen. Receipts are required for each item of expense. Balance at year-end is £57.75. The council has decided not to show this balance on the year-end accounts.

7. Payroll controls	Salary payments include deductions for PAYE/ NIC. PAYE/NIC paid promptly to HMRC. Pension responsibilities.	Evidence seen to support use of HMRC basic tools. None due. <i>Under new regulations the council will have pension duties for its employees. Information can be found on the pension regulator website</i>
8. Asset control	Inspection of Asset register.	Asset register seen for 31 March 2015.
	Asset register reviewed annually.	Yes.
	Cross checking of Insurance cover.	All were found to be in order.
9. Bank reconciliation	Regularly completed, reconcile with cash book.	The bank account balances are not reported at council meetings. Recommendation: That bank account balances are reported and minuted at each council meeting.
	Confirm bank balances agree with bank statements.	Bank balances at year-end: Business base rate tracker: £45,299.93 Community account: £3,609.07 Unpresented cheques: £423.96
10. Year-end procedures	Appropriate accounting procedures used. Income/Expenditure. Receipts/Payments.	Income and expenditure. All were found to be in order.

11. Annual return	Completion of sections of Annual return.	Section 1 was completed but not signed at the time of internal audit.
		Section 4 was completed and signed by the internal auditor.
12. Review internal controls	Date review completed.	Review of internal controls not minuted during financial year. Recommendation: Internal controls should be reviewed and adopted annually.
13. Recommendations from previous internal audit – 31 March 2014.	<ol style="list-style-type: none"> 1. Report bank balances. 2. Report budget position. 	Not actioned. Not actioned. Receipt of the internal report for 31 March 2014 was not minuted.
14. Additional comments	Annual meeting:	12 May 2014.
	Any trustee responsibilities:	None.
	Transparency code for smaller authorities:	<i>The council should be aware that from 1 April 2015 all councils with turnover less than £25,000 are subject to the Transparency Code for Smaller Authorities. The council will be required to publish certain council information on a website (publicly available and free of charge). Full details of the information to be published can be found on LAIS 1372.</i>
	Is the council registered with the ICO:	<i>No. Please see enclosed LTN38 with regard to the requirement for ICO registration.</i>

Signed S. Turner

Date 20/5/15

On behalf of Suffolk Association of Local Councils