

Minster Lovell Parish Council - Internal Audit Report 2018-19



Audit Observations

Audit date	Priority	Observation	Recommendation	Status	Comments
10 June 2019	H	The Council maintains financial records in both Excel and a manual cashbook (it is unclear why two forms of record keeping are required). It was noted that the records maintained are not adequate for the purposes of computing the values to be recorded in the Annual Accounting Statements. The accounting records provided did not agree to the Councils bank accounts.	The Council to note that the form of accounting is not adequate.	Pending	
	H	From a review of records it was noted that a number of accounting entries had not been recorded. The draft Accounting Statement numbers produced and submitted with the Internal Audit papers were inaccurate.	The Council to note that the quality of the accounting records is not sufficient to permit effective financial control or reporting. It was not possible, given the initial quality of the records provided, to compute accurate numbers of the Annual Accounting Statements. The Council to review its accounting and bank reconciliation procedures to ensure that a regular reconciliation of the bank statements to the Cashbook is carried out.	Pending	
	H	Given the quality of the accounting records it appears impossible that accurate bank reconciliations, agreeing the cashbook balances to banks statements, can not have been carried out. It was noted that the Council has put in place a format for the bank reconciliations, but this appears to be separate from the Councils accounting system.	The Council to review its accounting and bank reconciliation procedures to ensure that a regular reconciliation of the bank statements to the Cashbook is carried out. As a minimum the Councils method of accounting should provide a clear bank balance for each of the Council, and should permit easy preparation of the Councils budgetary control reports and the Annual Accounting Statements	Pending	
	H	It is understood that the Council holds £30,000 on deposit with West Oxfordshire District Council. A year end confirmation of the balance was not made available to the Internal Audit. It was noted that no interest income as been recorded during the year on these deposits.	The Council to obtain a year end confirmation of the balance held with the District Council and provide this to the Internal Auditor. The Council to clarify the position regarding any interest due on these funds.	Pending	

	H	The Council has advanced significant funds to Minster Lovell Playing Field Trust. It appears that these amounts are grants. It was not possible from a review of the Minutes, to determine, that the Council has formally approved these Grants and the Powers under which these grants are made.	The Council to confirm to the auditor whether these amounts are grants and, if so, the Powers under which these grants have been made.	Pending	
	H	The Council made payments, presumably grants, to St Kenelm's Church and Minster Lovell Methodist Church. It was not possible, from a review of the Minutes, to determine under what powers these grants have been made.	The Council should note that there is a legal prohibition under the Local Government Act 1989 from Councils making grants to Churches. The Council should review the position in respect of these grants and confirm that the Council has the legal power to make these grants.	Pending	
	H	It appears, from a review of the Minutes that the Council set the precept at a meeting held on 20th November 2017 when a budget for the year was approved. The precept value was not recorded in the minutes. A review of Central government data indicates that the precept raised was £31,650	The Council to review and confirm the value of the precept raised in 2018-19. This should be formally noted in the Minutes. The Council to ensure that, in future, the actual value of the precept to be raised is recorded in the Minutes of the meeting at which the precept is set.	Pending	
	H	Regular budget reports have not been submitted to Council. (Given the issues with the Councils accounting records this would not have been possible.)	The council must receive regular budget monitoring reports throughout the financial year. The review of these reports should be recorded in Minutes of the relevant meetings.	Pending	
	H	The Council has not formally considered the points raised by the External Auditor in their report. The Practitioner's Guide 1.37 states, in regard to Assertion 7 of the Annual Governance Statement ".....the authority needs to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate."	The Council MUST ensure that it considers reports of the Internal and External Auditors. The Council should consider what response it should give in respect of Assertion 7 of the Annual Governance Statement	Pending	

	H	The Council has not published the Notice of Conclusion of Audit on its website as required by the Accounts and Audit Regulations 2015	The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 16 which states — "As soon as reasonably practicable after conclusion of an audit, a relevant authority must publish (which must include publication on the authority's website) (a) a statement— (i) that the audit has been concluded and that the statement of accounts has been published; and (ii) of the rights of inspection conferred on local government electors by section 25 of the Act; (b) the address at which, and the hours during which, those rights may be exercised."	Pending	
	H	It was noted that the Clerks Contract has not been signed by a member of the Council	The Clerks contract must be signed by both the Clerks, as employee, and a member of the Council on behalf of the Council as employer.	Pending	
	H	It was noted Clerk has been paid at the same Spinal Column Point in 2018/19 as 2017/18. The Clerks contract indicates that an increment should have been due in April 2018.	The council must review the contractual agreement and, if appropriate, update the clerk's salary accordingly.	Pending	
	M	Two VAT claims were made during the year. The underlying records of VAT record provided but not the form submitted to HMRC. However bank statements confirmed the income.	Council to note that the VAT claims were not verified by the Internal Auditor.	Pending	

Priority

H	High Priority: Potential of legal or regulatory non-compliance or risk of significant financial or reputational impact
M	Medium Priority: Potential for operational impact, medium risk of financial or reputational impact
L	Low Priority: Issues that the Council should be aware of, or that have been resolved. No further action required.



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