

**Internal Audit Report for
Little Ellingham Parish Council**

I have carried out an internal audit of the financial records and general procedures of Little Ellingham Parish Council. My observations are recorded below, and any matters requiring attention are **highlighted in bold**.

Bookkeeping

I have inspected the cash book which I find to be well maintained and accurate. All receipts and payments vouchers have been presented together with bank statements and cheque stubs. Please could a copy of the Basic Tools 'Details of Employee Payment' be included with the payment vouchers to show how the cheque payment has been arrived at.

Minutes

I have examined the minutes and find them concise and accurate.

Standing Orders

I have examined the Standing Orders which are based on the National ALC Model Standing Orders and were adopted in September 2015. These should be reviewed annually.

Financial Regulations

I have examined the Financial Regulations which are based on the National ALC Model Financial Regulations and were adopted in September 2015. These should be reviewed annually.

Petty Cash

The Parish Council does not operate a system of petty cash.

VAT

I have examined the VAT records which are accurate. A claim for the 2015/16 financial year has been made. The Clerk has identified £7.50 that was not claimed for the financial year and which will be added to the next claim.

Asset Register

I have examined the asset register and note the assets listed. I note that the 2014/15 Internal Audit Report mentions play equipment, which is not shown on the asset register. I **recommend** that the Council carries out a full review of the asset register, including all items owned by the Parish Council (but not by the Village Hall Trust) such as play equipment, bins, notice boards etc. Items owned by the Trust can be noted separately in the Register for transparency.

Payroll

I note that the Council uses HMRC Basic Tools to calculate wages. I have examined the wage records for the current clerk and find them to be complete. Wage records for the previous clerk have not been presented therefore I cannot comment on the completeness of these.

Employment

I note that the contract of employment is in place and is based on the national model.

Budget

I note that a budget was prepared for the audit year and that the precept reflected the budgeted expenditure.

Risk Assessment

I note that a general risk assessment is in place and includes a financial risk assessment.

Openness and Transparency

I note that the Council has set up a website as required by the Transparency Code for Smaller Authorities. I could not find the list of payments over £100 on the website, however all audit documentation has been published. The following items required by the Transparency Code have not been published:

- Items of expenditure over £100
- Details of public land and buildings
- Minutes of meetings – the draft minutes of a meeting must be published within 1 month, on the day of the audit the minutes for the March meeting had not been published.

I **recommend** that the Council reviews the Transparency Code available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf and updates the website for the 2014/15 and 2015/16 year accordingly.

Village Hall Trust

I note that the Council is Managing Trustee of the Village Hall Trust. The accounts have been audited. The accounting year finishes on 31st May.

General Comments:

None.

Recommendations

There are **3** recommendations listed above to bring to the Council's attention.

In summary, I find that Little Ellingham Parish Council has sound financial practices together with good administrative procedures. I would like to thank the clerk for presenting the accounts and documents in good order.

If the Council wishes to discuss any aspect of this report I can be contacted via the details listed below.

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