

# Annual internal audit report 2016/17 to

Enter name of smaller authority here:

RUDSTON PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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 smaller 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.			Not applicable

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

Name of person who carried out the internal audit

PRINT NAME DAVID MCKIE (FCA)

Signature of person who carried out the internal audit

*DAVID MCKIE*

Date

15/5/2017

\*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, internal audit must explain why not (add separate sheets if needed).

## Explanation of variances – pro forma

### Rudston Parish Council

The 'Practitioners' Guide' provides guidance on explaining significant variances. Please provide **full explanations, including numerical values**, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

Section 2	2015/16 £	2016/17 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
<b>Box 2</b> Precept or Rates and Levies	3800	3000	800	21	
<b>Box 3</b> Total other receipts	2042	9121	7079	347	See Annex 1
<b>Box 4</b> Staff costs	1353	1611	258	19	Overlap of Clerk's wages during Clerk handover resulting in an extra payment of £259.20
<b>Box 5</b> Loan interest/ capital repayments	0	0	0		
<b>Box 6</b> All other payments	3021	14882	11861	393	See Annex 2
<b>Box 9</b> Total fixed assets & long term investments & assets	0	0	0	0	
<b>Box 10</b> Total borrowings	0	0	0	0	
<b>Explanation for 'high' reserves</b>	Box 7 is more than twice Box 2 because ....				

**RUDSTON PARISH COUNCIL - Annex 1**

**Box 3 Receipts Variance Explanations**

<b>Receipt</b>	<b>2015/16</b>	<b>2016/17</b>	<b>Variance</b>	<b>Explanation</b>
VAT reclaim	£1,085.72	£213.98	-£871.74	Less to claim for year ending 2016
Parish Paths Grant	£315.00	£115.00	-£200.00	Less grant received as less requested
Recycling Credits			-£548.00	Recycling Scheme ceased
Insurance Claim	£0.00	£735.00	£735.00	Unexpected insurance claim for bowls club
North Wolds Lions Donation	£0.00	£200.00	£200.00	Unexpected donation received
Lissett Community Wind Farm Fund	£0.00	£417.50	£417.50	Grant received for Defibrillator Project
Playing Fields Committee	£0.00	£5,335.83	£5,335.83	Contribution to unexpected window repairs required at Rudston Pavilion
Caythorpe Environmental Support Fund	£0.00	£2,011.00	£2,011.00	Grant received for Corner Garden Project
			<b>£7,079.59</b>	

RUDSTON PARISH COUNCIL - Annex 2				
Box 6 Payments Variance Explanations				
Payment	2015/16	2016/17	Variance	Explanation
Street lighting	£1,337.93	£1,970.82	£632.89	Late invoice received for previous year usage plus price rise
Insurance	£924.15	£1,003.31	£79.16	Increase in Premium Tax
Admin/expenses	£166.56	£215.99	£49.43	Increase in payroll services costs due to addition of new clerk and auto-enrolment fees
Parish Paths	£115.00	£75.00	-£40.00	Invoice not received for usual £40
Churchyard maintenance	£100.00	£0.00	-£100.00	Donation not requested this year
Donations	£65.00	£40.00	-£25.00	No Remembrance Wreath as only donated by Parish Council every 2 years
Repairs & Renewals	£33.25	£735.00	£701.75	Bowls Club repairs to fence required after winter storms caused damage
Corner Garden	£0.00	£2,032.00	£2,032.00	New project instigated after receipt of grant mentioned above
Defibrillator	£0.00	£1,820.00	£1,820.00	New project instigated after receipt of grant mentioned above
Pavillion windows	£0.00	£5,335.83	£5,335.83	Unexpected window repairs required at Rudston Pavillion
VAT Paid	£213.98	£1,588.64	£1,374.66	More expenses incurred means more VAT incurred
			<b>£11,860.72</b>	

# Bank reconciliation – pro forma

Rudston Parish Council

Financial year ending 31 March 2017

Prepared by JENNIFER HOBSON – CLERK (Name and role)

Date 26.04.17

Balance per bank statements as at 31 March 2017:

CURRENT ACCOUNT  
DEPOSIT ACCOUNT

	£	£
	1192	
	1276	
	<hr/>	2768

Petty cash float (if applicable)

Less: any un-presented cheques at 31 March 2017

Add: any un-banked cash at 31 March 2017

Net balances as at 31 March 2017 (Box 8)

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2768

***The net balances reconcile to the Cash Book (receipts and payments account) for the year, as follows:***

## CASH BOOK:

Opening Balance 1 April 2016 (Prior year Box 8)

Add: Receipts in the year

Less: Payments in the year

Closing balance per cash book [receipts and payments book] as at 31 March 2017 (must equal net balances above – Box 8)

7140
12121
(16493)
<hr/>
<u>2768</u>