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2nd May 2017

Mr N Parker  
Clerk to Curbridge and Lew Parish Council  
Maple Barn  
Curbridge  
Witney  
OX29 7NT

Dear Mr Parker

**Curbridge and Lew Parish Council - Internal Audit report for 2016/17**

I have now carried out the internal audit of Curbridge and Lew Parish Council for the year ended 31 March 2017, as requested by yourself and as required by the Accounts and Audit Regulations 2015.

My conclusions are that the records are well kept, up to date, agree with underlying records and the Council meets the objectives of internal control addressed in the Annual internal audit report.

The following is a list of my findings with regard to the checklist of objectives listed for Internal Audit controls in the Annual Return:

1. **Books of account kept properly** The Receipts and Payments spreadsheet is kept up to date, is accurate, is matched to bank statements and is arithmetically correct for the year. The date in the Expenditure column should reflect the date the expenditure was approved and the cheque drawn, not the date cheques have been cashed and appear on the bank statement.

**Recommendation** Date entries for payments should match the date the payment is made.

2. **Financial regulations met, payments supported by invoices, expenditure approved and VAT accounted for** All invoices were reviewed and found to be addressed to the Council, for the year in question, relevant to the Council's functions and payments authorised. However, it was noted that the minutes recorded the Council's contribution to the Queen's birthday celebrations to be £100. In fact the payment to Acreditus UK was £300, which was not found to be mentioned anywhere and did not accord with the budget.

**Recommendation** The Council should record any decisions in the minutes concerning changes to financial payments or contributions already agreed.

3. **Risk assessment** The risk assessment was reviewed and re-adopted in February 2017. The playground continues to be inspected regularly.
4. **Annual precept, appropriate budget and reserves** The precept requirement was minuted to be £11,000, but the Section 2 Accounting Statement shows it as £10,629? The level of reserves at year end (£5.7k) is similar to the previous year's and falls within the recommended level of between 3 to 12 months' gross expenditure. However, forecast expenditure for 2017/18 sees reserves being depleted.

**Recommendation** The Council may need to reassess its budgetary process and evidence a rigorous approach to its expenditure bearing in mind its declining income levels. The Section 2 figure should be amended.

5. **Income** The Council's principal source of other income on a regular basis is from parish hall lettings. Unfortunately this is still dropping and parish hall expenditure is rising. Some income from bookings was banked a little late, in the current year, and receipts do not appear to have been issued in chronological order.

**Recommendation** All income should be banked as soon as possible after it has been received.

6. **Petty cash** Petty cash payments are supported by receipts and approved. Any VAT is properly accounted for via the R & P spreadsheet.

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7. **Payroll** The clerk and the parish hall cleaner are paid in accordance with Council approvals and tax is being deducted at basic rate and paid over to HM Revenue and Customs.
  8. **Assets** The Council's principal asset is the parish hall. This was revalued for building reinstatement purposes by a firm of chartered surveyors 6 years ago at over £300,000 and is now insured for £408,450. The Council's other assets include a bus shelter, several items of play equipment, benches, dog bins, the defibrillator and the playground land. Maintenance work has been carried out on assets during the year.
  9. **Bank reconciliations** Bank statements are monitored monthly and periodic and year end reconciliations were carried out.
  10. **Statement of accounts** The Receipts and Payments account has been properly drawn up and has supporting records.
  11. **Charitable trust** The Council, as a corporate body, is the sole trustee for the Curbridge Recreation Ground Charity, which comprises the Lord Kitchener's field. The finances currently consist of a residual bank balance.

This report and the incidence of an internal audit should be drawn to the attention of the full Council for any discussion necessary and this should be fully minuted to comply with the Regulations and the requirements of the external auditor.

Yours sincerely



Stephanie Zollman