Shefford Town Council (STC)

Internal Audit report for the year ended 31 March 2019

Executive Summary

Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a Council's activities are operating effectively.

During the 2018/19 financial year, an interim audit took place in April 2019, and the year end audit work was completed in June 2019.

This is the second full year that the Parish Clerk has been in post, and good progress has been made in implementing the internal audit recommendations that were made in the previous year.

During the year, a new accounting software – 'Rialtas' has been implemented in July 2018 and all transactions - payments, receipts, petty cash, VAT and the bank reconciliations are undertaken using this system. This has improved the recording of transactions as they are being maintained electronically. In addition, all supporting records have been maintained in a methodical manner and Audit have been able to verify a sample of payments and receipts to supporting documentation.

During this financial year, it was identified that that changes required in the legal and audit requirements of Shefford & Campton Joint Burial Board (JBB) had not been implemented in the last 2 years. Following advice from the External Auditors, the JBB balances have now been consolidated into the Parish Council's balances. This has meant that the 2017/18 balances have been restated to reflect the revised JBB balances.

The Clerk has worked jointly with the Clerk at Campton PC to comply with the Audit requirements and comprehensive work has been undertaken to ensure the accuracy of the JBB balances. Separate JBB meetings have been held and minutes have been reviewed and it was agreed that 80.5% of the share of JBB would be consolidated into the Council's accounts, with 19.5% being shared with Campton Parish Council.

Detailed Audit findings are included in the Appendix table below.

I would like to thank the Clerk for her co-operation and assistance during the Final Year End audit.

Leena Bains (23 June 2019)

Appendix 1

	Test	Findings	Recommendations
A	Appropriate accounting records have been kept properly throughout the year	The accounting records for the financial year from April 2018 to March 2019 has been recorded on the 'Rialtas' accounting system. This has been reviewed by Internal Audit and found all transactions were up to date. Audit reviewed the consolidated balances for JBB and these agreed to the Council's working papers.	
B	Council met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	Yes – no issues noted	
C	Council assessed the significant risks to achieving its objective and reviewed the adequacy of arrangements to manage these	**Risk Assessment:** Following the interim findings, a Risk Assessment has now been produced.	R1: The risk assessment will be further reviewed during the next financial year as per paragraph 17.2 of the Financial Regulations. A separate risk register will be produced for risks identified for JBB.
D	Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate	Yes – no issues noted	
E	Expected income was fully received, properly recorded and promptly banked	Yes – no issues noted	

F	Petty cash	A Petty Cash system operates by the Council and all records are input onto Rialtas. Yes – no issues noted	
G	Salaries to employees and allowances to members were in accordance with the Council's approvals	The clerk's salary is administered by Bedford Borough Council and 1/12th of the salary is recorded on the cash book on a monthly basis. The pension contributions will also be administered by Bedford Borough Council.	
H	Asset register were complete and accurate and properly accounted maintained	A fixed asset register for 2018/19 was reviewed and agreed to the figure in box 9 of the Return.	
I	Periodic and year end bank account reconciliations were properly carried out	Bank Reconciliations are undertaken on a monthly basis using the Rialtas system. Audit reviewed the Year end bank Reconciliation and no issues were noted.	
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to cashbook, supported by an adequate audit trail from underlying record	The accounting statements have been prepared on an Income & Expenditure basis.	
K	Other	No issues noted	