

# TOPLIS ASSOCIATES LTD.

STREETHAY LODGE  
STREETHAY  
LICHFIELD  
STAFFORDSHIRE WS13 8LR

TEL: 01543-419202

1 May, 2018

The Chairman  
Shobnall Parish Council  
c/o Mrs M Danby - Clerk  
32 Hillcrest Rise  
BURNTWOOD  
Staffordshire WS7 4SH

Dear Councilor

## **Conclusion of Internal Audit of your Parish Council For the year ended 31<sup>st</sup> March 2018**

Following the completion of my work for the above year we are writing to inform the Council that having carried out the year-end review I have been able to sign the Annual Governance and Accountability Return ("AGAR") - Part 2 without any qualification.

The independent internal examination of the Councils governance, financial affairs and certification of the 2017-18 AGAR to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 (as amended) and embodied in the Governance and Accountability Practitioners Guide 2018.

In summary, we covered the following areas in our examination:

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Controls
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures.
- Charitable Trusts (when appropriate)

This year we have also carried out a review of your web site to evaluate its conformance to the Transparency Code for Smaller Councils 2015 which are to be viewed as a minimum standard.

We made two visits during the fiscal year and were accorded with full co-operation by your Clerks. Any issues which we raised with the Clerks during the conduct of our work have either been satisfactorily rectified or are noted below.

A copy of our Annual Internal Audit certification (page 4 of the AGAR) for 2017-18 is attached.

As you have elected to complete a Part 2 Annual Return you must comply with the Publication Requirements detailed on Page 1 of the AGAR. Compliance will be checked by us and possibly by the External Auditor.

In respect of the new Council year we make the following observations and recommendations for your consideration:

1. We recommend that during the fiscal year your council should review the Risk Assessment to ensure that it still reflects the current environment. Your council should then minute its ratification;
2. During the fiscal year your council should review your Standing Orders and Financial Regulations to ensure that they still reflect the current environment. Your council should then minute that ratification;
3. Copies of both your current Standing Orders, Finance Regulations and Risk Assessment should be displayed on your councils web site and must show the latest date of revision and ratification;
4. You are reminded that when the council discusses, amends or ratifies significant documents copies should be made available on your web site for members of the public to view. These documents should be either appendices to published minutes and agenda papers or as separate documents on the web site (preferably with a hypertext link to facilitate ease of searching);
5. We note that you are carrying Ear Marked Funds. Your council should agree these in a full council meeting and ratify them and minute the detail and amounts at least once in each fiscal year preferably just before the year end.

It is your Council's responsibility to note these comments and to consider what action should be taken.

I shall make my next visit in October but please do not hesitate to contact me should you require advice in the meantime

Yours sincerely,

Alan Koplis

## Annual Internal Audit Report 2017/18

## SHOSNALL PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this 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 authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This 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.	NO CITY CASH		✓
G. Salaries to employees and allowances to members were paid in accordance with this 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 of 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.	✓		
<b>K. (For local councils only)</b>			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Date(s) internal audit undertaken

Name of person who carried out the internal audit

06/11/17 to 30/04/18

ALAN TOLUSTONOVIS ACCOUNTANT LTD

Signature of person who carried out the internal audit

Alan Tolustonovis

Date 30/04/18

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