

Internal Audit Report for Histon & Impington Parish Council
Year ended 31st March 2015

To: The Members of Histon & Impington Parish Council

I can formally report the completion of the Internal Audit of Histon & Impington Parish Council for the financial year 2014/15. The statutory requirement provision for an internal audit service is determined within the Accounts and Audit Regulations 2003, updated and replaced by the 2011 regulations that govern the 2014/15 accounts. I have complied with these guidelines in reviewing the adequacy of the level of internal controls that underpin the financial systems and records of the Parish Council.

The audit approach followed the guidelines of the Audit Regulations and the adoption of an approved risk based audit programme appropriate for intermediate (Group B: councils with neither annual income or annual expenditure in excess of £1 million) authorities such as Histon & Impington Parish Council, to comply with the best practices guidance set out in the Governance and Accountability for Local Councils Practitioners' Guide 2010.

The results from the testing undertaken have given me the required assurances to form the opinion that the Parish Council is totally compliant in all the key areas of financial control.

As a result of the compliance work undertaken I am able to gain the necessary assurances to conclude that for the financial year ending 31st March 2015, the Quicken accounting software has provided sound and robust financial control. Regular accounting documentation together with cash and budgetary monitoring reports are presented on a timely basis to the Parish Council and its individual Committees. This allows Members to be made aware of financial variances on a prompt, detailed, structured and informative basis.

Financial Regulations are in place and subject to regular review by the Parish Council. At the time of writing this report the 2012 Financial Regulations have been reviewed and are awaiting adoption by the full Council. Similarly an updated Terms of Reference and Delegated Powers is awaiting full Council approval. Internet Banking, regulation of which is covered in the proposed new 2015 Financial Regulations, is due to be introduced in 2015/16. Compliance testing has been carried out on a number of key component indicators, from which I am able to conclude that payments are properly supported by good supporting documentation and correctly authorised by the Parish Council; the ordering system is satisfactory and where appropriate quotes and tenders are properly sought in accordance with the threshold levels determined within the current Financial Regulations. Income has been properly recorded and banking procedures are secure.

The Parish Council maintains an extensive asset portfolio, the control of which is exercised through a comprehensive assets register, which is updated regularly. From this year assets are valued at their respective purchase value, although all

assets retained from previous years remain on the asset register at their 2013/14 valuation. This follows the Joint Practitioner's Advisory Group (JPAG) 2014 guide for Local Councils to the Accounting and Audit Regulations (England) 2011. The Parish Council has in place a comprehensive risk management strategy, which is well documented, reviewed regularly and reported on to the Parish Council. All inventorial and health checks, including Statutory Annual Safety Inspections for Health and Safety, are documented.

The annual budgetary control mechanisms in place were found to be sound, which is fundamental in demonstrating close control of the Parish Council's finances. At the time of my last visit the 2014-15 precept had been agreed but the individual departmental budgets had yet to be approved by the Parish Council. Nevertheless, the process of reviewing and agreeing budgets was robust. In the current financial year there are no significant unexplained variances from budget.

A review of the income controls currently in place show that all income is recorded satisfactorily.

A number of minor issues were identified during the course of the audit work and at the conclusion of the audit work. These have been discussed with the Parish Council's officers and I am pleased to report that there are no material matters to bring to the attention of the Parish Council.

Due to the untimely death of the Parish Council's appointed Internal Auditor the programme of interim visits in 2014/15 has not been undertaken. However, in agreeing to cover the role, I have carried out all the scheduled work in the timetable at one time. The approach of quarterly interim visits to an agreed timetable however needs to be re-instated for 2015-16.

I would like to place on record my thanks and appreciation for the help and co-operation of Angela, Lynda and Chelsea and the professional manner in which they carry out their duties.

This report should be presented to the next meeting of the Parish Council, but if there are any matters that you wish to discuss further please do not hesitate to contact me.

I M Parish
March 2015