

The Chairman
Dalston Parish Council

Huntscroft
Townhead Rd
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CARLISLE
CA5 7JF
3rd July 2017

Internal Audit 2016-17

I have carried out an independent examination of the Parish Council's financial statements for the year ended 31st March 2017.

The examination includes a review of the accounting records maintained by the Parish council and a comparison of the accounts presented with these records.

Expenditure has been supported by invoices and income received has been documented and accounted for..

Satisfactory explanations have been given to questions raised on income and expenditure.

However, I bring the following points to your attention:

1) The VAT returns to the HMRC have not been sent in on time. The refund for September was not received until April which caused some confusion.
VAT is now up to date.

2) Cumberland Building Society only issue bank statements on a quarterly basis therefore in order to reconcile the income and expenditure unofficial statement have to be requested on a monthly basis and often more frequently.

Recommendation Monthly bank statements should be requested

3) Expenditure invoices are being filed in alphabetical order with a voucher / or cheque number. For reconciliation purposes these should be filed in cheque number / dd order. Unless there is some facility on SAGE the voucher number should be dispensed with

Recommendation Invoices should be filed in chronological order and endorsed with the cheque number / dd.

4) The transfer of monies from the deposit to the current account requires two councillor signatures and the presence of one councillor to make the transaction. This is time consuming for councillors and bureaucratic.

Recommendation If a limit could be put on the value of the transaction and monitoring procedures introduced, consideration could be given to allowing the Responsible Finance Officer to become second signatory.

5) Dalston in Bloom had a surplus in the accounts of £1.4K at 31st March 2017. In the current year the amount received is approximately £3K.

In the accounts it is included in the General Reserve Fund. As the money has been donated specifically for Dalston in Bloom should this be identified separately in the accounts and not included in the General Reserve Fund.

Recommendation Status of Dalston in Bloom to be identified

6) Timesheets are currently being completed. However, Clerk and Responsible Finance Officer's time is spent is not being recorded.. When the timesheet was initially introduced it was designed to record the various activities undertaken e.g . burials, planning, minutes, finance etc.

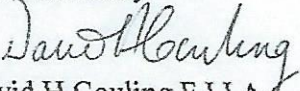
Recommendation In order to monitor and evaluate the Officers' time the original timesheet should be introduced

7) Financial Regulations have been introduced. In conjunction with this there should have been a schedule of responsibilities for the Clerk and Responsible Finance Officer. Together with this there should have been a set of procedures for each activity so that anybody should be able to carry out the duties with reference to the specific activity. This would allow for continuity and reduce the learning curve.

Recommendation Procedures should be written down for each activity from cradle to grave

I hope this is useful.

Yours faithfully


David H Couling F.I.I.A