LJC Bookkeeping Services
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16th June 2020

INTERNAL AUDIT REPORT 2019/2020 – ST MINVER HIGHLANDS PARISH COUNCIL

I have completed the internal audit for March 2020 and signed the Annual Report in accordance with my findings. Testing was carried out as appropriate in line with the Accounts and Audit Regulations 2015 (2018 amendments) and is reported below:

- **Precept, Budgets and Reserves**
  The precept was set after consideration of a budget and the level of free reserves. The receipt of precept is recorded in the Minutes and on the bank statements. ***No issues***

- **Other Income**
  Other income was tested against supporting documentation and traced to bank statements. ***A Cash Book/Ledger has not been kept therefore, in my opinion, income has not been properly recorded. I understand from the Clerk that this has now been rectified for 2020/21.***

- **Staff Costs**
  The Clerk's salary was tested to agree with the minutes. PAYE was made correctly. ***No issues***

- **Financial** Regulations and Risk Assessments are in place. No issues.

- **Payments**
  Payments were supported by invoice and VAT has been reclaimed appropriately. A Cash Book/Ledger will be kept in future for the proper recording of expenditure and to aid bank reconciliations. ***No further action***

- **Bank Reconciliations**
  Periodic bank reconciliations were not carried out during this financial year until the new Clerk was in post, when the end of year was also carried out. Periodic reconciliations would have helped with balancing the accounts at the end of year. Regular reconciliations are now being carried out. ***No issues***

- **Insurances**
  The insurance cover in place was reviewed and appeared adequate. Fidelity guarantee cover is adequate based on Audit Commission guidance. ***No issues***

A separate report to accompany the AGAR Part 3 has been produced.

Linda Coles
Internal Auditor

St Minver Highlands Parish Council - Annual Internal Audit appendix to page 4 of the AGAR.
Explanation of boxes marked no or not covered. Linda Coles, Internal Auditor, 16th June 2020

Box A	**Appropriate accounting records have been properly kept throughout the financial year.**	No	No cashbook or ledger has been kept showing receipts and payments etc., although a monthly schedule showing the monthly totals was produced for the members. **Action:** The new Clerk will keep a properly recorded ledger showing income and expenditure.
Box E	**Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for**	No	A ledger was not kept and items were not properly recorded although any receipts were promptly banked and VAT reclaimed on purchases **Action:** The new Clerk will keep a properly recorded ledger showing income and expenditure.
Box F	**Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.**	Not covered	**Coverage not required.** St Minver Highlands Parish Council does not hold any petty cash
Box I	**Periodic and year end bank account reconciliations were properly carried out.**	No	There is no evidence of periodic bank reconciliations being carried out until February 2020 when the new Clerk took up the post. These are now carried out and an end of year reconciliation has been done. **No further action**
Box J	**Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure) agreed to the cash book and supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.**	No	No cash book was kept but payments agreed to invoices and bank statements, as did income. **Action:** The new Clerk will keep a properly recorded ledger showing income and expenditure.