

Notes to accompany Internal Audit Report – Fiskerton Parish Council

Objective A – Appropriate accounting records have been properly kept throughout the financial year. It is clear that the Council did not keep correct accounting records throughout the year, if it had have done then your current RFO would have been able to complete the accounts at year end quickly and without any issues. Unfortunately, this was not the case – bank statements were not available to her, which means that they have not been available throughout the year to the Council for authorisation. The current RFO is in the process of gaining full access to the bank accounts of the Council – I am confident that this will be in place soon.

Objective B – The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. Although payments were supported by invoices and all expenditure was approved at Council meetings, I am not convinced that the Council has complied with its financial regulations as periodic bank reconciliations were not completed, bank statements were not submitted to the Council for approval or signature (they were not available at any point in the year), a risk assessment was not completed during the year etc. Having spoken to the current RFO, I am confident that from now on the Council will comply with its financial regulations – I strongly suggest that each councillor is given a copy of the financial regulations to read and digest as soon as possible.

Objective C – This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. The new RFO has informed me that a risk assessment was not carried out during the last financial year – this assessment must be completed annually. The RFO now has a document for review this financial year and we have discussed how this will be completed each month.

Objective D – The precept requirement resulted from an adequate budget process; progress against the budget was regularly monitored; and reserves were appropriate. It is clear that, through lack of bank statements and knowledge of the Council, that progress against budget was not regularly monitored – the current RFO could find no information where the budget was being monitored by the Council. It is important that the budget is monitored monthly so that councillors know and understand the level of spend. The current RFO has assured me that she will monitor the council's position monthly from now on.

Objective I – Periodic and year-end bank account reconciliations were properly carried out. The current RFO did not have access to the bank when she took on the accounts, there were no bank statements with the accounts when they were handed over to her and she was not given the log-in details to the bank accounts. Due to this, and the fact that the current RFO had to contact the bank for a list of transactions for the entire year, I can conclude that periodic bank account reconciliations have not been carried out correctly, if at all.

Objective J – Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records. Due to the lack of bank statements and reconciliations, I cannot tick this objective off as being met. It is clear that invoices were received and cheques were raised, but bank statements were not available to complete the audit trail for the Council. This has now been corrected and I am confident that from now on the audit trail will be complete. I suggest that the Council monitor this carefully.

BRIDGET SOLLY – Internal Auditor