

3 JUNE 2014

LITTLEHAMPTON TOWN COUNCIL

FINAL INTERNAL AUDIT REPORT TO THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2014

INTRODUCTION

An internal audit of the Town Council's financial records for the year 2013/2014 has recently been completed. The audit included all financial transactions for the period 1 April 2013 to 31 March 2014 inclusive.

The audit was undertaken in compliance with the requirements of the Accounts and Audit (England) Regulations 2011.

Regulation 6 of the Accounts and Audit Regulations states that the Council shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control, and any officer or member of that body shall, if the body requires -

(a) make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit; and

(b) supply the body with such information and explanation as that body considers necessary for that purpose.

The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

SCOPE

The audit included examination of the accounts for the year ended 31 March 2014, review of the trial balance and nominal ledger, review of bank statements, review of fixed asset register and insurance policy, review of payroll, review of agendas and minutes of meetings, review of budgets and confirmation that bank reconciliations and reports are prepared regularly and reviewed at regular meetings of the Parish Council.

The main objectives of this final visit were to confirm that the accounts agree with the underlying records and the annual return, and that internal controls still operate as previously documented.

FIXED ASSETS AND INSURANCE

The cost of "Southfields" is included in the asset register at a value of £700,511, but the insurance value is only £654,554. The cost of the bandstand as at 31 March 2014 in the asset register is £103,084 (with a completion cost of £150,000 to date), the insurance value is £100,000.

The Finance and Resources Manager will review the adequacy of insurance cover with the insurance provider.

FINAL ACCOUNTS

The Council is classed as a “smaller relevant body” and the statutory accounts are produced in the form of an annual return. The Finance and Resources Manager has, however, produced a set of clear and concise accounts, giving detailed information about the reported figures, so as to satisfy the Members of the Council, and the general public.

The annual return accurately reflects the figures in the annual accounts.

The accounts agree to the trial balance and underlying records.

The effectiveness of internal controls was reviewed in the year.

SUMMARY AND OPINION

One of the functions of internal audit is to give assurance to members of the council that the financial systems and internal controls are operating correctly, and can be relied upon.

In connection with my examination, and having regard to the items reported herewith, no matter has come to my attention that gives me reasonable cause to believe in any material respect that the regulatory requirements have not been complied with.

The Finance and Resources Manager and her assistant are very thorough and competent. They consistently show a high level of understanding of the internal controls and accounting systems to which they must adhere. It has been a pleasure to be the internal auditor for the last four years.

The accounting arrangements, procedural controls, records and documentary evidence are considered to be exemplary, and accurately record the Council’s financial position.

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RACHEL HALL (ACA)

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