

South Moreton Parish Council

Financial Year 2019-20



Year End Internal Audit Observations

Visit date: 12 June 2020

B *This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Cheque stubs are not initialed by the Council signatories.	<i>The Council has two Councillors set up to sign cheques. The Councillors that sign the cheques do not initial the cheque stubs.</i>	The Council should ensure that cheques stubs are initialed as evidence of compliance with part 6.4 Financial Regulations.	High	

C *This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council has not formally recorded the review of its insurance coverage.	<i>It is understood that the Council reviewed the insurance renewal after May 2019 meeting. This was not formally recorded as reviewed or approved in the Council meeting minutes.</i>	The Council must ensure to record the formal review of the its insurance cover in the Council meeting minutes.	High	

E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	VAT has not been promptly reclaimed	<i>It is understood that the Council is waiting for their VAT number from HMRC before they can submit a VAT claim for 2019-20.</i>	The Council must ensure that once VAT number is supplied by HMRC that a VAT claim is completed.	High	

K *IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt.*

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council did not pass a resolution declaring itself as exempt from External Audit for the prior year at a meeting of Full Council.	<i>The Council did not formally record the approval declaring itself as exempt from External Audit at the 8 May 2019 Full Council meeting. The certificate of Exemption was signed by the Chair 8 May 2019.</i>	The Council to note that it did not properly pass a resolution for exemption from External Audit for the prior year. The Council must ensure that it formally approves a resolution for dispensation from External Audit. The Council must give a 'Negative' response to Assertion 3 on the Annual Governance Statement.	Medium	