



HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF ST JUST TOWN COUNCIL
YEAR ENDED 31ST MARCH 2016

Directors: Steve Hudson BA (Hons), C.P.F.A; Mandy Hudson
Company Registration: 6935832 (England & Wales)
Registered Office: Brynmor, St. Ives Road, Carbis Bay, St. Ives, Cornwall, TR26 2SF

We have undertaken an interim internal audit of St Just Town Council for the financial year 2015/16. The scope of the audit covers the areas referred to in Appendix 9 of the National Association of Local Council's publication *Governance & Accountability for Local Councils*.

It has been carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

We would like to thank the Clerk and staff for their assistance and co-operation during the course of the audit.

Our findings are shown below.

| | Internal Control Objective |
|-----------------|---|
| Test | A. Appropriate accounting records have been kept properly throughout the year. |
| Comments | <ul style="list-style-type: none"> The accounts are maintained on a spreadsheet and were up to date and accurate other than a refund for a defective item had been treated as income. |
| Recommendations | None. |
| Test | B. The councils financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. |
| Comments | <ul style="list-style-type: none"> Standing Orders and Financial Regulations are to be reviewed in February Testing of expenditure revealed no issues to report. The VAT claim for 2014/15 was in accord with underlying records. |
| Recommendations | None. |
| Test | C. The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. |
| Comments | <ul style="list-style-type: none"> Statutory insurances are in place and the Fidelity Guarantee is adequate at £250,000, it is likely an increase may be needed if there is an under spend this year. Risk assessments are to be reviewed in February. The Council is considering a package of devolved services from Cornwall Council and must ensure it has the appropriate powers to do so, for example, there is no power, other than the General Power of Competence or s137, to provide a library. |
| Recommendations | <ol style="list-style-type: none"> <i>The Fidelity Guarantee should be kept under review.</i> <i>The powers under which any devolved services are taken on should be stated in any resolutions.</i> |
| Test | D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. |
| Comments | <ul style="list-style-type: none"> The budgetary process was robust and monitoring takes place on a quarterly basis. We will review reserve levels at the year end. |

| | Internal Control Objective |
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| Recommendations | None. |
| Test | E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. |
| Comments | <ul style="list-style-type: none"> Income is limited and adequately controlled. |
| Recommendations | None. |
| Test | F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. |
| Comments | <ul style="list-style-type: none"> Testing revealed no issues to report. |
| Recommendations | None. |
| Test | G. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied. |
| Comments | <ul style="list-style-type: none"> Testing revealed no issues to report. |
| Recommendations | None. |
| Test | H. Asset and investments registers were complete and accurate and properly maintained. |
| Comments | <ul style="list-style-type: none"> The asset register has been updated to reflect additions in year so far. |
| Recommendations | None. |
| Test | I. Periodic and year-end bank account reconciliations were properly carried out. |
| Comments | <ul style="list-style-type: none"> Bank reconciliations are carried out in a timely manner and are signed off by a Member. |
| Recommendations | None. |
| Test | 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, were supported by an appropriate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded. |
| Comments | <ul style="list-style-type: none"> Not applicable at this stage. |
| Test | K. Trust funds (including charitable). The council met its responsibilities as trustee. |
| Comments | Not applicable. |

By E Mail
Hudson Accounting Ltd 07/12/2015