

Littlemore Parish Council

External Auditor Report & Certificate 2017/18

Continuation sheet of matters reported:

Appropriate books and records are not being fully maintained as required by item 4 of the Accounts and Audit Regulations 2015. There have been historic issues with record keeping including preparation of regular bank reconciliations. By the end of the 2018 year, according to the Internal Audit Report, this appears to have been brought into line for all but 1 bank account. It is clear from correspondence that the council has been and is in discussion with that particular bank to obtain bank statements in respect of this matter to enable it to bring all of its paperwork in to line. So far, due to technical, legal and banking etiquette issues this has not yet happened. Neither has the Council been able to close the account.

Correspondence is recognised as being ongoing and the recommendation is that this continues whilst it is economic to do so. The Council believes the account to hold zero funds, therefore it may decide to limit any future action based on whether it believes further action to be the best use of its public funds.

It is not clear that adequate internal controls including risk assessment procedures were in place throughout the period as required by item 3 of the Accounts and Audit Regulations 2015 as adequate systems were not in place in the prior year and are only described as being brought in during the year. It is clear that such procedures have been introduced by the end of the year and should be fully implemented in the 2018/19 year.

Item 11 of the Accounts and Audit Regulation requires the accounts to be prepared according to proper practices. This would imply that they are prepared using an appropriate method and balance or reconcile to backing documentation as necessary. Having reviewed the balances provided it is clear that there is an error in Box 7 of the 2018 year. It has been evidenced that this issue has arisen due to an error in the value stated at Box 1 for 2018 which is as stated in Boxes 7 and 8 for 2017. The recommendation is that the 2018 figures be restated for the 2019 return to provide the correct opening and closing positions.

The Council should have been able to provide an adequate explanation of significant variations in income and expenditure figures between years. Due to changes in staffing the necessary explanations have not been provided in respect of box 3 income. Instead a detailed list of what is included in box 3 other income has been provided. Whilst this does not provide the necessary assurance of accurate recording of matters as a comparison with the previous year all, incomes included in box 3 for 2018 appear appropriate to record in that box. This information will also now be available for comparison purposes in future years, therefore this issue should not re-occur and no further recommendations are required.
