

Mrs. P. Harrison,
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Chairman & Members,
Whitley Parish Council,

22nd May 2018.

Dear members,

Internal audit for the year ended 31.3.2018.

I confirm I have now completed the above internal audit and would draw your attention to the following matters:

Clerk's salary – there is no minute showing the current clerk's hourly rate. It is clear from salary payments that the rate agreed for the previous clerk is currently being used but the minutes should reflect this in relation to the current clerk.

Clerk's contract of employment – there isn't one.

Standing Orders and Financial Regulations – the parish council does have them but the clerk was unaware of their existence and purpose.

Cheque payees – some trade invoices have been received but payment made to individuals. It is good practice to make such cheques payable to "F. Smith trading as Smith Builders". See cheque numbers 307, 320 and 2401.

Cheque 2385 – shown in minutes with a payee but in cheque book shows as cancelled. All cancelled cheques should be so recorded in the minutes.

I am grateful to the clerk, Mr. Hunter, for his input and assistance and can confirm that despite the above comments, there is a clear audit trail and that year end balances correspond with supporting documentation.

I have no other comments to make.

I attach my invoice for payment.

Yours sincerely,



Mrs. P. Harrison.

Annual Internal Audit Report 2017/18

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	NO		CASH A/C.
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. (For local councils only)			
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

22/05/18

Name of person who carried out the internal audit

MRS. P. HARRISON

Signature of person who carried out the internal audit

[Handwritten Signature]

Date

22/05/18

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).