

**Mr. & Mrs. P. Harrison,
Rose Cottage, High Street, Campsall,
Doncaster. DN6 9AF.**

TEL: 01302 700992

Email: pamharrison898@gmail.com

Chairman & Members,
Whitley Parish Council.

3rd May 2017.

Dear Councillors,

I am pleased to report that I have now completed the internal audit for the year ended 31.3.2017 and have signed the appropriate declaration within the annual return.

I would raise the following issues:

The completion of the internal audit for the year ended 31.3.2016 is not reported in minutes– it does appear in the minutes but there is no record of whether the internal auditor raised any issues (I understand she didn't) but this should, nevertheless, be reflected in the minutes.

Cheque numbers 232, payee K. Leppingwell and 235 for school room hire have no supporting invoices in the records. Minuted approval confirms these transactions to be accepted but I would suggest that all payments be supported by an invoice or voucher. I would also suggest that the minutes include the cheque number for each approved payment making the audit trail easier to follow.

I have certified that Boxes 3 and 4 of the annual return entries for the year ended 31.3.2016 correspond with last year's figures – this refers to the amended figures suggested by the external auditor for that year.

I understand that a high proportion of the parish council's cash balance is ring fenced for specific initiatives and note that a reduction in precept has been agreed to avoid accumulating unnecessarily high balances.

Finally, I can confirm that the accounts are well presented and balance to the bank accounts. However, I would suggest that members consider keeping the accounts on a receipts and payments basis, in future. The detail to which they currently extend is extensive and, for someone with little accounting experience, can appear intimidating and very time consuming. Audit regulations only require

the income and expenditure method of accounting, currently in use at Whitley, for councils with a gross income of £250,000.00 or more although it is open to the council to adopt this method if they so choose.

I am indebted to the Clerk, Mr. Dickens, for his help and input and trust members find the above to be helpful.

Regards,

A handwritten signature in black ink, appearing to read 'P. Harrison', with a horizontal line extending to the right.

Mrs. P. Harrison.

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

WHITLEY PARISH COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this smaller 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.	Yes	No	Not applicable
			✓

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

Name of person who carried out the internal audit MRS. P. HARRISON

Signature of person who carried out the internal audit Date 03/05/17

*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, internal audit must explain why not (add separate sheets if needed).