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30th April 2019

The Chairman  
Cringleford Parish Council

Dear Sir,

**Final Internal Audit for the year ended 31st March 2019**

I thank the Council for re-appointing me to carry out the internal audit for the 2019 accounts. I remind you that, according to the Local Councils' Governance and Accountability Guidance, the purpose of internal audit is to review whether the systems of financial and other control are effective; neither the internal nor the external auditor can be expected to look for fraud. I do not give an opinion on the accounts, I am required to review controls and give recommendations.

I attended the Parish Council offices on 30th April 2019 and carried out the following work on the Council's books, following on from the interim audit carried out in December.

- 1. Proper Bookkeeping:**
  - checked a sample of payments from the nominal ledger to invoices, including all large amounts, ensuring VAT separated appropriately, from November to March
- 2. Financial Regulations:**
  - Financial Regulations are due to be reviewed by the Council in May
  - Standing Orders are due to be reviewed in May
  - Internal controls are due to be reviewed in May
- 3. Risk Arrangements:**
  - reviewed minutes for unusual items
  - the risk assessment is reviewed regularly by the Finance Advisory Group and was last adopted in March 2019
- 4. Budgetary Controls:**
  - regular comparisons are carried out of actual spending to budget figures
  - signatories initial a grid stamp on each invoice to confirm that payment may be made
- 5. Income Controls:**
  - reviewed receipt of precept and VAT refunds
  - reviewed significant income during year

- Hiring income is invoiced regularly and cross-referenced to the bookings diary to ensure all bookings are invoiced

**6. Payroll:**

- An outside agency is used for payroll
- Compared the total of gross salary payments, Employer's NIC and Employer's Pension Contributions per the wage summaries to the total in the Annual Return for reasonableness
- Employer's pension contributions have been correctly calculated at 22.0% for those staff in the Norfolk Pension Fund

**7. Bank Reconciliation:**

- ensured carried out regularly
- bank reconciliation for current account is presented at each full council meeting
- checked bank reconciliations as at 31<sup>st</sup> March 2019 to bank statements

**8. Year-end Procedures:**

- reviewed year-end bank reconciliation
- reviewed accounts and nominal ledger for unusual items
- annual return correctly prepared using income and expenditure method
- checked large creditors and debtors to supporting documentation

The above tests and review work showed the accounts are supported by invoices and receipts and agree to year-end bank statements, and that the Council is actively involved in monitoring spending and income. I have discussed a few minor issues with Sonya.

You are aware that I am not a VAT expert. I am glad to see that the Council has taken professional advice on the treatment of VAT in its various projects as this is a specialist area, and the calculation of the partial exemption rules.

I should like to take the opportunity to thank Sonya for her hospitality and for her assistance with the year-end paperwork.

Yours faithfully,

*Pauline James*

Pauline James BA,  
Cert of Higher Education in Community Engagement and Governance