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9th May 2020

The Chairman
Cringelford Parish Council

Dear Sir,

Final Internal Audit for the year ended 31st March 2020

I thank the Council for re-appointing me to carry out the internal audit for the 2020 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.

Sonya has sent me various documents and I have carried out the following work on the Council's books, following on from the interim audit carried out in November.

- 1. Proper Bookkeeping:**
 - checked large amounts to invoices
- 2. Financial Regulations:**
 - Financial Regulations were reviewed in February 2020
 - Internal controls were reviewed in February 2020
- 3. Risk Arrangements:**
 - reviewed minutes for unusual items
 - the risk assessment is reviewed regularly by the Finance Advisory Group
- 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 22.5% 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 31st March 2020 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
- there were no large creditors and debtors

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.

I remind you that I am not a VAT expert. 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.

Yours faithfully,

Pauline James

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