

Pauline James
Beech Farm, 15 Marsh Road, Upton, Norwich NR13 6BP
Telephone 01493 - 751070

~~5th June 2017~~

The Chairman
Cringelford Parish Council

Dear Sir,

Final Internal Audit for the year ended 31st March 2018

I thank the Council for re-appointing me to carry out the internal audit for the 2018 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 1st May 2018 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
 - compared a sample of receipts to supporting documentation, from November to March

- 2. Financial Regulations:**
 - Financial Regulations were reviewed by the Council in December 2017
 - Standing Orders were reviewed in December 2017
 - Internal controls were reviewed in May 2017
 - A councillor carries out a review of the payments at least twice a year

- 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 2018

- 4. Budgetary Controls:**
 - regular comparisons carried out of actual spending to budget figures
 - signatories initial a grid stamp on each invoice to confirm that payment may be made
 - The Council has set a budget which will result in a drop in reserves as it is planned to refurbish the pavilion during 18/19

5. Income Controls:

- reviewed receipt of precept
- 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 21.5% 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 2018 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.

I have said before 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.

The Council is aware of the requirements of the General Data Protection Regulation which comes into force on 25th May 2018. Sonya is working on the necessary policies.

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