

Mrs Anne E. Barnes FILCM
Internal Auditor
79 Caistor Lane
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Norwich
NR14 8RB

May 12, 2017

Mrs J. King

Clerk to Newton Flotman Parish Council

22 Henry Preston Road

Tasburgh

Norwich NR15 1NU

Dear Councillors,

Internal Audit Report to Newton Flotman Parish Council for Year Ended 31 March 2017

For the Attention of the Council

Thank you for your letter of appointment dated 30th March 2017 which I am pleased to accept.

A. Appropriate accounting records have been kept properly throughout the year.

I have inspected the Council's records to 31st March 2017. I have examined your cashbook and found it to be well maintained and up to date, correct and regularly balanced. I have also examined your invoices, cheque books, paying-in books, bank statements and compared these to your Receipts and Payments account and your accounts in the Minute Book.

B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

I have examined your invoices as presented to me and note that they have been approved by the Council and VAT was properly accounted for and reclaimed.

C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Standing Orders and Financial Regulations adopted and Applied

I note that your Standing Orders were reviewed and revised in January 2017 and your Financial Regulations were also reviewed in January 2017.

Risk Management Arrangements

I note that your Risk Assessments and Financial Risk Assessments have been reviewed in March 2017. I have also examined your Risk Assessments, Internal Control Policy and other policies. I note that you have introduced a Reserves Policy which was adopted in January 2017.

Insurance

I have reviewed the Council's insurance with Aviva to ensure the insurance cover is adequate. The cover is from 1 June 2016 to 31 May 2017.

D. The Precept or Rates requirement resulted from an adequate budgetary process; progress against the Budget was regularly monitored; and reserves were appropriate.

I have had sight of the Budget for 2016/17 and Budget 2017/18 and confirm that the Precept was agreed through an adequate budgetary process. The budget was reviewed against actual and reserves have been reviewed and increased and are appropriate.

Section 137

Section 137 Expenditure has been separately recorded in the cashbook and is within your statutory limits.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

Income Controls

I note that all income is recorded and banked properly and the Precept agrees with the Parish Council's notification to the Council Tax authority. The Parish Council has very few cash transactions and adequate controls are in place to minimise any loss.

VAT Payments Controls

I confirm that all VAT expenditure has been recorded separately and reclaimed at regular intervals.

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

Petty Cash Procedures

I note that the Parish Council does not operate a petty cash system.

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.

Payroll Controls

I have examined the PAYE records for staff and the Clerks Salary and expenses records. The Clerks salary and expenses have been approved by the Council and PAYE and NIC have been properly operated by the Council as an employer.

Contracts of Employment and Job Descriptions have been examined and are appropriate for the job. The Clerk has been paid in accordance with the salary scales in her contract.

I note that you have approved the Parish Clerk may join the Local Government Pension Scheme. I have examined the pension records and note that employee and employer contributions have been deducted at the appropriate rate and payments made to Norfolk Pension Fund.

H. Asset and investments registers were complete and accurate and properly maintained.

Asset Controls

I have examined the Council's Asset Register and note that the assets have been inspected by the Council.

I. Periodic and year-end bank account reconciliations were properly carried out.

Bank Reconciliation

I have examined the Bank Statements and the Receipts and Payments Book and confirm that there is a Bank Reconciliation for each account. The reconciliation is carried out monthly and explanations entered for any un-reconciled amounts or outstanding cheques. The total value of the investments is summarised on the reconciliation.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Year-End Procedures


I can confirm that the year-end accounts are prepared on a Receipts and Payments basis and that the accounts agree with the cashbook with an appropriate and adequate audit trail.

Matters for the Council's Attention

There are no matters to bring to the attention of the Council.

Your Clerk's accounts are once again excellently presented in a clear and precise manner and I would like to thank her for her help and co-operation in preparing for the Internal Audit.

Yours sincerely,



Mrs A.E. Barnes FILCM