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30th May 2020

The Chair
Ashwellthorpe and Fundenhall Parish Council

Dear Madam,

Internal Audit for the year ended 31st March 2020

I thank the Council for appointing me to carry out the internal audit for the 2020 accounts. I remind you that, according to the Governance and Accountability for Local Councils, the purpose of internal audit is to review the effectiveness of a council's risk management, control and governance processes; 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 have carried out the following work on the Council's books and records:

1. Proper Bookkeeping:

- checked payments from the cashbook to invoices, including all large amounts
- checked receipts from cashbook to supporting documentation
- reviewed VAT documentation
- VAT for 18/19 has been reclaimed
- VAT for 19/20 will be reclaimed shortly

2. Financial Regulations:

- Financial Regulations were reviewed by the Council in May 2019
- Standing Orders were reviewed by the Council in May 2019
- a councillor carries out checks of the books from time to time
- signatories sign the cheque stubs

3. Risk Arrangements:

- reviewed minutes for unusual items.
- a review of risks was carried out by the Council in May 2019

4. Budgetary Controls:

- the precept was set with a 7.5% increase
- spending is considered against budget quarterly

5. Income Controls:

- reviewed receipt of precept

- reviewed significant income during year
- 6. **Petty Cash**
 - None
- 7. **Payroll Controls:**
 - a payroll company prepares payslips and produces the clerk's P60
 - checked the total in the accounts for Tina to the totals on payslips and to the P60
 - tax has been correctly deducted, given the tax code stated
- 8. **Asset Controls:**
 - reviewed asset register
 - reviewed minutes for significant additions
- 9. **Bank Reconciliation:**
 - ensured carried out regularly
- 10. **Year-end Procedures:**
 - reviewed year-end bank reconciliation
 - reviewed accounts for unusual items
 - annual return is prepared using receipts and payments method
 - an amount of CIL has been received and will be spent within the time limit

The above tests and review work showed the accounts are supported by invoices and receipts and agree to year end bank statements. There is evidence to show that the Council is adequately involved in the financial management and governance of the Council. I have therefore signed the internal auditor's part of the Annual Return.

The Council's receipts and payments are below £25,000 and the Council will therefore be taking advantage of the procedure to exempt itself from external audit. It will still be necessary to post on the Council's website the Annual Return, the variance analysis, bank reconciliation for 31st March and the notice of electors' rights.

Yours faithfully,

Pauline James

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