

Mrs Anne E. Barnes FSLCC
Internal Auditor
79 Caistor Lane
Caistor St Edmund
Norwich
NR14 8RB



May 2, 2019

Mrs J. King

Clerk to Newton Flotman Parish Council

22 Henry Preston Road

Tasburgh

Norwich NR15 1NU

Dear Chairman and Councillors,

Internal Audit Report to Newton Flotman Parish Council for Year Ended 31 March 2019

For the Attention of the Council

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

I have inspected the Council's records to 31st March 2019. 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. I note you have a nominated member to inspect the cashbook at regular intervals.

B. This authority complied with 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. VAT of £889.35 is due to be repaid for 2018/19 and the claim for this has been submitted.

C. This 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 updated in January 2019 and your Financial Regulations were also reviewed and updated in January 2019.

I have advised your Clerk to date the Financial Regulations.

Risk Management Arrangements

I note that your Risk Assessments and Financial Risk Assessments have been reviewed in March 2018 and will be reviewed again in March 2020. I have also examined your Risk Assessments, Internal

Control Policy adopted in March 2019, Data Protection Policy and other policies. I note that you have reviewed your Reserves Policy in January 2019.

I have also noted that you have adopted Financial Delegation Arrangements in May 2018 and that these are adequate for a parish of your size.

Insurance

I have reviewed the Council's insurance with AXA through Came & Co. to ensure the insurance cover is adequate. The cover is from 1 June 2018 to 31 May 2019 and I note that 2 quotes were obtained, and the cover is based on a 3-year Long Term Arrangement.

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 2018/19 and Budget 2019/20 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. The Precept is recorded in the Minutes.

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 the Clerks Salary and her 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 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.

I note that the salary pay award is noted in the May 18 Minutes.

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.

I note that the Council has completed the Annual Governance and Accountability Return 2018/19 Part 2 where the higher of gross income or gross expenditure was £25,000 or less and that the Council has certified themselves as exempt from a limited assurance review.

K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)

The Parish Council certified itself as exempt from a limited assurance review in 2017/18, met the exemption criteria and correctly declared itself exempt.

L. During the summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.

I have examined your new website and noted the records posted on the site.

M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Parish Council is custodian trustee and the Council receives regular reports.

Matters for the Council's Attention

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

Your Clerk's accounts are 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 FSLCC