

Alison Sutton  
Eardisland Parish Clerk  
7 John Davies Place  
Westcroft  
Leominster  
HR6 8JD

24<sup>th</sup> June 2020

Dear Alison,

### **INTERNAL AUDIT FOR EARDISLAND PARISH COUNCIL**

I have now completed the internal audit for the above Parish Council. The audit has included a review of the internal systems controls that are in place.

I confirm that I have acted independently. The basis of the audit is by selective assessment of compliance with relevant procedures and controls.

I have attached a copy of the internal audit report. Recommendations are highlighted in yellow alongside some queries which need to be confirmed prior to signing off the audit.

Please also see the attached AGAR with the relevant section completed and signed by me.

Outlined below is a basic overview of the areas included in the audit.

#### **Appropriate Accounting System**

Appropriate account books have been kept during the year. The Council uses a spreadsheet to record income and expenditure as well as a review of expenditure and income against budget and bank reconciliations.

The books are kept up to date and there is evidence in the minutes that they are balanced regularly.

#### **Financial Regulations and Standing Orders**

There is a clear audit trail of all samples picked. Council carries out its financial processes in line with its financial regulations and standing orders.

Quotations have been sought where appropriate and VAT has been properly accounted for and reclaimed.

### **Risk Assessments**

Appropriate Risk Assessments have been undertaken and reviewed by Council.

The Council's insurance covers public liability, fidelity guarantee and employer's liability.

Council data is backed up securely and a copy of that data is held off-site. This is especially important in cases where the Clerk is incapacitated for whatever reason and any temporary cover can access Council documentation to enable the Council to continue to function.

### **Precept**

The precept was set following the consideration of the annual budget by Council. It has been recommended that two resolutions are made to adopt the budget and to demand the precept.

Council received regular monitoring reports that compare receipts and payments against budget and demonstrates that the Council is being proactive in managing financial controls.

### **Income**

Income is correctly recorded and there is an audit trail of banking. No unusual income was identified.

### **Petty Cash**

Petty cash is not used. Expenses are claimed and reimbursed.

### **PAYE**

The PAYE is administered using the HMRC's Basic Tools. The RTIs have been submitted and outstanding payments have been made.

### **Asset Register**

The Council maintains an asset register and this has been reviewed.

### **Bank Reconciliations**

Bank reconciliations are carried out regularly and reported to Council. This is strong internal control and should highlight errors in either the cashbook or if there has been a bank error.

### **Accounting Statements**

The Parish Council prepares its accounting statements on a receipts and payments basis. This agrees with the cash book.



Local Council Community Cloud

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**General**

The accounting records are well organised and the information provided to enable the internal audit review to be carried out was comprehensive.

Thank you for all your assistance in enabling the internal audit to be completed.

Yours sincerely

*Paul Russell*

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