Pauline James

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17 June 2020

The Chairman

Brundall Parish Council

Dear Sir,

**Internal Audit for the year ending 31st March 2020**

Thank you for appointing me to carry out the final internal audit for the 2019/20 year. Please note 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.

You will remember that I attended the Council Office on 12th December 2019 to carry out interim audit work on controls and governance.

Claudia brought the books to my home and I have completed the final audit work:

**1. Proper Bookkeeping:**

- checked a sample of payments and receipts from payments lists to invoice/documentation, from November 2019 to March 2020, including all large amounts

- checked VAT identified as appropriate, for larger invoices

- VAT has been reclaimed to 29th February 2020

**2. Petty Cash**

- None

**3. Payroll Controls:**

- reviewed Sharon’s and Claudia’s salary payments for the year

- tax has been correctly deducted, given the tax codes listed, and paid over to HMRC

- checked year-end total of employee’s and employer’s pension contributions to ensure the correct percentage has been paid (Claudia is paying additional pension)

**4. Asset Controls:**

- reviewed asset register and minutes for significant additions

**5. Risk Arrangements**

**-** reviewed minutes for unusual items

- risk assessment carried out in February 2020

**6. Minutes**

- reviewed minutes for evidence of processes for internal controls and risk management

**7. Budget**

- reviewed budget process and precept setting

**8. Year-end Procedures:**

- reviewed year-end bank reconciliation and checked it to bank statements

- reviewed year-end accounts

- Annual Return is prepared using income and expenditure method

I have signed the internal auditor’s report on the Annual Return.

As ever, I would recommend that the Financial Regulations should reflect the checks and controls that are actually done. I would also recommend that the review of internal controls should be minuted as it is a requirement of the Annual Return that it is done.

I have asked Claudia to send me a copy of the Annual Return once signed by the Council.

Yours faithfully,

Pauline James

Pauline James BA,

Cert of Higher Education in Community Engagement and Governance