

INTERNAL AUDIT REPORT

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21st July 2017

To:
Wheldrake Parish Council

Dear Councillors

Wheldrake Parish Council Internal Audit Report: Year End 31 March 2017

Having completed the internal audit for Wheldrake Parish Council on 21st July 2017 in accordance with the 'Governance and Accountability for Local Councils, 2016, Regulations' and using the enclosed list of questions I would like to bring the following points to the Council's attention:

- ☛ I have had to say 'no' to statement no. B on the Internal Auditor's section of the External Audit form because not all payments are supported by invoices and not all expenditure was approved in the minutes. I have also had to say 'no' to statement no. G because I could find no evidence of approval for the clerk's pay increase nor of any PAYE or NI requirements being properly applied.
- ☛ The council should say 'no' to statement no. 6 on the Governance section because the internal audit should be carried out by a totally independent and objective person.
- ☛ Cheque stubs:
 - i. All should be initialled by the councillors who are signatories to the account.
 - ii. All alterations should be initialled by the signatories. For example, cheque no. 100149 had the date changed from 30 March to 1 April. This alteration was not initialled.
 - iii. 100175 – the stub says 'GOPAK TABLES etc' but the invoice says '@Church buying group'. This differs from the stub.
 - iv. 100184 – WRA grant; there appears to be no paperwork or receipts to support/explain this.
 - v. 100188 – Youth Club Grant; again, there appears to be no paperwork or receipts to support/explain this.
 - vi. 100198 – PCC grant; no paperwork or receipts.
 - vii. 100199 – DR expenses; handwritten notes provided; no indication of authenticity of order or expenses.
- ☛ Clerk issues:
 - i. I could find no record of the council agreeing to the clerk being paid by standing order or to the council approving a pay increase from £250 to £300 per month.
 - ii. In any event, pay should not be made by standing order.
 - iii. Equally, I can find no record of payments to HMRC, no NI payments and no registration with the Pensions Regulator
 - iv. All expenses should be detailed; for example, cheque 100177 states £28.82 expenses plus £200 arrears with no explanation of what the arrears entail; the minutes state £28.82 but the cheque is made out for £228.82
- ☛ Receipts/Invoices:
 - i. I could find no pay statements/receipts for the clerk's pay;
There are no HMRC records pertaining to the clerk's pay; there is no reference to any

- registration with the Pensions Regulator;
- ii. Neither of the Elvington Park Building Services invoices states exactly what work was carried out;
- iii. There is no invoice stating the actual amount due to the CPRE
- iv. There is no evidence of the receipt of grants from WRA, of £1,250 and £110, other than that of the relevant bank statements.
- v. I have concern about the receipt from Yorkshire Water paid in to the PC account but not made out to Wheldrake PC

 Minutes:

- i. Loose leaf minutes must be numbered consecutively, ie from 1-100etc., and each page should be initialled by whoever chairs the meeting with the last page being signed and dated.
- ii. I could find no record in the September minutes of the council agreeing to the clerk's pay rise, or could I find any record of such a request in earlier minutes.

 Insurance

- i. Council needs to check the amount paid and the listed assets. The premium seems a little high compared with the listed assets.

Councillors, the above list of queries seems quite a daunting amount. You need to address the various issues in order of priority.

I am, however, satisfied on the basis of my examination of the Parish Council's accounts that the records are maintained satisfactorily in line with the Audit Commission's current recommendations and are free from material error.

The council's policies and procedures need to be up-dated in order to comply with the current legal requirements and should then become well embedded in practice.

Apart from the items listed above there are no other matters of significant concern that need to be drawn to the Council's attention at this point in time.

F M A Farman

May Farman