

R A David AAT

14 Church Close, Madeley, TELFORD TF7 5FB

20th April 2016

Katrina M Baker MBE

Clerk to Edgmond Parish Council

Oaklands

Waters Upton

TELFORD TF6 6NP

Dear Katrina

COMPLETION OF THE INTERNAL AUDIT FOR 2015/16

Thank you for providing me with the information relating to Edgmond Parish Council for the financial year ended 31st March 2016.

I can confirm that the Internal Audit has been completed in accordance with the *Governance & Accountability Practitioners Guide 2016*.

I was able to witness evidence in relation to the internal control objectives as follows:

A	Appropriate accounting records have been kept properly throughout the year. I have witnessed the receipts and payment account, cheque book stubs and bank statements. Records of expenditure are noted within the Minutes. The details relating to powers, laws and statutes should be included.
B	This smaller authority has met its financial regulations, payments were supported by invoices and all expenditure had been approved by Members, two signatories and VAT identified. The VAT is to be reclaimed.

C	The Council had assessed the significant risks and had insurance in place appropriately. An updated risk assessment was available which covered all necessary aspects and is updated annually.
D	An adequate system of monitoring payments against budget was in place and reported to the Council on a regular basis. The Annual Report included the earmarked reserves which identified expenditure where grants had been received. A Free reserve was identified and the contingency fund appropriate for the size of the authority. Two such grants were explained in the Notice of Significant Variances.
E	Expected income had been received and accounted for.
F	The Council does not run a petty cash scheme.
G	The Clerk's Salary was paid in accordance with the HMRC regulations on PAYE. An additional payment had been agreed through Full Council and had been paid through PAYE and accounted for. This was explained in the Notice of Significant Variances.
H	An asset register is complete, accurate and properly maintained. Following a recent re-assessment, the total had reduced slightly and this is explained in the Notice of Significant Variances.
I	Periodic and end of year bank account reconciliations are present and reported to Council throughout the year. This is to be monitored by the Audit Committee.
J	All accounting statements are prepared on a receipts and payments basis and in accordance with the Governance & Accountability Practitioner's Guide 2016. There is an adequate audit trail.

I can confirm that the points raised in the 2014/15 Annual Return had been reported to the Parish Council and the relevant action taken:

1. Should a Council Tax Support Grant be allocated, this should be recorded as other income and not included with the precept. There is no CTSG included for this financial year.
2. The Parish Council has produced its bank reconciliation in the recommended layout which is clear and concise. The Council only has one current account.

I understand that the Parish Council has now received the funding for the purchase of a scanner in order that it can continue to work towards meeting the requirements of the Transparency Code in full. The Parish Council has made an excellent start in this daunting process.

The Parish Council will be required to complete the Annual Governance Statement 2015/16, as per page two of the Annual Return at its Full Council meeting prior to agreeing the Accounting Statements for the year. This must be done in May, when the dates for the exercise of elector's rights are set.

Action Plan

1. Completion of the Annual Return, Sections One and Two, at the next meeting of Full Council
2. To confirm the dates for the exercise of elector's rights at the next Full Council meeting, must include the first ten working days of July.
3. To claim back the VAT from HMRC, if not already done so.
4. To ensure that the Council fully meets the requirements of the Transparency Code as soon as possible.
5. Include details of the relevant powers, laws and statutes for expenditure.
6. Regular meetings of the Audit Committee would be an advantage and these should be recorded and actions noted.

Yours sincerely

Rosemarie David

Internal Auditor