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Our Ref: C197 JK/ SMS

Your Ref:

25th June 2019

Clay Cross Parish Council,
Council Office,
Social Centre,
Market Street,
Clay Cross,
Chesterfield,
S45 9JE.

Dear Councillors

As part of my duty as internal auditor to the Parish Council I set out below my findings as a result of my work on the accounting records and system of internal control for the year ended 31st March 2019.

The Council continues to manage its financial affairs in a fit and proper manner. The books and records are maintained to a high standard. There is also competent retention and filing of source documents to enable a complete audit trail.

The organisational structure and routine procedures are of a high standard. The regular Finance Sub-Committee meetings adhere to the prescribed format and report directly to and make recommendations to the full Council meetings. I have attended three of the Finance Sub-Committee meetings during the year and can confirm that they have been well attended and that the required business has been transacted in a proper manner. It has been noted that there have been more meetings this year than last year. As internal auditor I regard these meetings as highly important to the overall control of the Council's business and the members of the Finance Sub-Committee should bear this in mind.

Expenditure and income have been monitored and compared with the budgets. The position on statutory returns for VAT and PAYE is always reported on and a random sample of payments is checked to the underlying records for each month.

I can confirm that the calculation of the precept is the result of a properly constructed budget giving consideration to reserves.

The Council must continue to be vigilant as personnel and requirements change. It is noted that the change of banking providers together with the move towards less cheque payments appears to have gone through smoothly and I am confident that the same standard of control is being exercised over the making and authorising of payments as before and that income continues to be banked in a timely manner.

As the age of 'Making Tax Digital' begins to dawn the Council must prepare for the fresh challenges of VAT reporting which this is now throwing up. I note that discussions are under way to replace the traditional hand written system of recording transactions with a computer package. It appears that this is being diligently researched from what I can see so far and look forward to it being implemented during the course of the coming year.

Yours faithfully

