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17 JUN 2019

11 June 2019

Dear Tracey


INTERNAL AUDIT FOR YEAR ENDED 31 MARCH 2019

I enclose my internal audit report for the Parish Council and my fee invoice.

In my report I've said that I have enjoyed my work for the Council, and though it may seem odd for anyone to "enjoy" doing audit work, I can honestly say that I have. This is largely due to the excellent standard to which you have maintained the Council's accounts and records, and to the warm welcome I have always received during my audit visits. I am sorry to have to give up the work, perhaps if I were in better health and did not have hanging over me the possibility of another procedure I might have carried on for a year or two, but I think it's right for me to bow out now.

With grateful thanks and very best wishes for the future to you and Caroline, and to all the Members of the Council

Yours sincerely



Peter Evans
Chartered Public Finance Accountant

To: Mrs Tracey Euesden
Clerk to Storrington and Sullington Parish Council

11 June 2019

To Storrington and Sullington Parish Council

INTERNAL AUDITOR'S REPORT FOR YEAR ENDED 31 MARCH 2019

I have carried out an internal audit of the Council's accounts for the year ended 31 March 2019 in accordance with the requirements of the Annual Return for Audit. I have carried out quarterly regularity audits of the Council's financial transactions, and a final audit following closure of the accounts at 31 March 2019.

I have also reviewed the other matters specified in the Annual Return.

My quarterly audits have included the following regularity work:

ACCOUNTS AND FINANCE

- checking in detail the bank reconciliations at 30 June, 30 September, 31 December and 31 March;
- ensuring that unpresented cheques and receipts awaiting banking are shown correctly, and that long-standing unpresented cheques are correctly written back in the accounts;
- tracing all debits from the bank statements to the cashbook to ensure that all outgoings from the Council's bank accounts are proper charges to the Council and recorded correctly in the accounts;
- testing that all receipts shown in the cash book are paid into the bank promptly and in full.

PAYMENTS

- vouching all payments made from the main account in the year, including transfers between accounts, from prime documents including the payroll and suppliers' invoices;
- limited testing (one quarter's payments) to ensure that the Council has approved payments and that details are recorded in the minutes.

RECEIPTS

- testing a random sample of 55 invoices raised for hall hirings, allotment rents and other income to ensure that sums due to the Council are collected promptly, recorded correctly in the accounts and paid in to bank.

PAYROLL

- checking in detail the calculation of two month's pay (June and December 2018) for all members of staff to ensure that gross pay is in accordance with contracted hours and rates of pay, and that all deductions (PAYE, national insurance, superannuation contributions) are correctly calculated, deducted and paid over to the appropriate authority;
- my sample check included December 2018, the month in which the new recommended pay scales were implemented, and I have checked the calculations of back-pay;
- I have also checked the minutes relating to the appointment of new members of staff and noted the terms of their contracts of employment.

VAT

- at each quarter's audit I have checked the calculation of VAT on a random sample of invoices paid by, and issued by, the Council and checked that VAT is correctly charged and recorded in the Council's accounts;
- I have checked in detail the compilation of VAT returns to HMRC for the quarters ended June, September and December 2018 and ensured that the reimbursement of the net amount due to the Council is received and credited to the Council's bank account.

PETTY CASH

- I have vouched all payments made from the petty cash account, agreed all transfers of funds from the main bank account to the petty cash account, and agreed the balance of petty cash held at 31 March 2019.
- at my audit visits on 22 August 2018 and 6 March 2019 the Clerk and I counted and agreed the balance of petty cash held in the office.

In addition to my regularity work on the Council's accounts, at the final audit I have covered:

BUDGET/PRECEPT

- I have reviewed the budget and calculation of the precept for 2018/19 and compared the *outturn with the budget*. Any significant variances between budget and outturn have all been satisfactorily explained.

INSURANCE AND RISK ASSESSMENT

- I have reviewed levels of cover on employer's liability, public liability and fidelity guarantee insurance. Covers are appropriate for the Council's staffing, assets and activities;
- I have reviewed the Council's risk assessment to ensure that foreseeable risks are identified and evaluated, and that measures are in place to manage and limit the effect on Council activities should any risk materialise. The risk assessment is comprehensive and updated periodically to take account of changes in Council activities, ownership of property, etc.

ASSET REGISTER

- I have checked the compilation of the register and the basis on which asset values are shown on the audit return. No changes were made to the register in 2018/19 as no new assets were acquired during the year and none disposed of.

AUDIT RETURN

- I have checked the adjustments to the accounts to convert them from receipts and payments to income and expenditure form, as required by the external auditor;
- I have agreed the entries in Section 2 of the Annual Return at 31 March 2019 and completed the internal audit section of the Return.

Routine matters arising from my work have been discussed and resolved with your Clerk, and there is nothing further that I need to bring to Members' attention. Once again I must thank Tracey for maintaining the accounts and other records to such a high standard, and thank Tracey and Caroline for their warm welcome and assistance during my audit visits.

Having spent over 40 years working in public finance, and carried out the Council's internal audit for more than 10 years, I have decided that the time has come to retire. I regret that I shall therefore not be available to carry out the Council's internal audit in future. I have genuinely enjoyed my work at Storrington & Sullington, and I am very grateful to Tracey, Caroline and all Members and Officers of the Council, past and present, for their unfailingly courteous help and hospitality at my audit visits. I wish you all the very best in the future.



Peter Evans
Chartered Public Finance Accountant