

Yorkshire Internal Audit Services
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Mrs Claire Boston
Clerk to Langtoft Parish Council
claire.boston@tiscali.co.uk

15 June 2017

Dear Claire,

**To the Chairman and Members of Langtoft Parish Council,
Internal Audit of the Accounts for the financial year ending 31 March 2017**

I have concluded the annual audit of the Council's financial accounts. The accounts have been well maintained and appropriate controls supporting the governance framework have been in place. There were no significant issues arising. The results of my audit are detailed below.

Annual Return

I have carried out the final audit of the Council's financial accounts for the year 2016-17 and I am pleased to inform you that I have signed the internal audit section of the Annual Return for Local Councils as required.

Bookkeeping

The Council's cash book and bank accounts were checked. All cash book entries were agreed to bank statements, bank reconciliations were carried out throughout the year and the year end bank reconciliation was agreed. VAT was appropriately identified in the accounts and agreed to the pending year end reclaim. The accounts for the Annual Return were compiled on the basis of receipts and payments which is consistent with the previous year.

Standing Orders, Financial Regulations and Payment Controls

I confirmed that appropriate standing orders and financial regulations are in place, up to date and have been adopted by the Council. Council minutes have been reviewed, all minutes have been signed and all expenditure has been appropriately authorised. All payments have been agreed to supporting invoices or documentation.

Risk Management Arrangements

The Council's risk assessment has been reviewed by the members during the year. All expected insurance policies are in place and values for the public liability, employer's liability and fidelity guarantee are consistent with the risks covered.

Budgetary Controls and Financial Health

The annual precept request was underpinned by an annual budget. For good financial health we normally recommend a balance at year end representing about 26 weeks of payments. The current year end balance of £28,279 represents 135 weeks of expenditure, which is a very high level of reserves. The Council needs to ensure that reserves are included in the annual budget considerations, with a view to moving towards a lower level of reserves over the medium term (about five years).

Income Controls

Income has been agreed to supporting documentation, sources are consistent with the previous year and variances have been adequately explained.

Payroll Controls

Salary payments to the clerk were reviewed, variances to the previous year were adequately explained and reconciled to the signed contract of employment.

Asset Register

All material assets owned by the Council are maintained in an asset register. All assets in the register were covered by appropriate levels of insurance.

General

I should like to thank your clerk for her help and assistance in the conduct of the audit and I look forward to my next visit.

Yours sincerely,
Howard Miller
Yorkshire Internal Audit Services
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