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Ogbourne St George
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Mr Paul Russell,
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LD7 1EB

30 July 2014

Dear Paul ,

Internal Audit Report

As requested I have carried out an internal audit of the Council's accounts and processes for the financial year ended 31st March 2014.

Background

Due to the changes which have occurred within the council during the last year the financial record keeping has been somewhat inconsistent. There are still some areas of weakness and occasions where the Financial Regulations have not been fully complied with. I have listed below where this has been the case.

Approval of Payments

None of the invoices have been certified by the RFO (some have been initialled by Councillors but not all of them).

There were a number of payments made during the year which were not approved at any of the Council's meetings, namely:

- All salary payments made to the former clerk.
- The payment to Sustainable Furniture which was subsequently refunded.
- Cheque no. 539 paid 23/07/13 to SSE Contracting for £73.37
- Payment to Bawdens on 30/10/13 for £1970.39 – only £328.39 was approved in the minutes of 12/09/14.
- Payment to Wansboroughs of £240 dated 25/11/13 – this was on the agenda for approval at the November meeting but no copy of these minutes has been made available in order to verify this.

VAT

- The VAT on the refund from Sustainable Furniture has not been recorded or repaid to HMRC.
- VAT of £180.00 has been reclaimed on the payment to Wansboroughs on 19/07/13 although a VAT invoice is not in the records – it would be advisable to obtain a copy of this invoice if possible so that the claim is supported.
- The incorrect amount of VAT has been claimed on the payment to Southern Electric (Cheque no. 540) – this should be corrected on the next Return.

Risk Assessment

A risk assessment was not completed during the last financial year due to the resignation of the previous council, but I understand this is due to be reviewed in September 2014.

Budgetary Process

There is no record of the budgetary process which was undertaken in support of the precept request for 2014/15. There is no evidence of monitoring expenditure against budget.

PAYE

There appear to be no PAYE records or approval of payments in relation to the former clerk.

Recommendations

- All invoices should be checked, verified, initialled and approved as required by the Financial Regulations.
- A proper VAT invoice should be acquired for all claims for VAT and a system in place to ensure that VAT is repaid on any refunds.
- A record should be kept of the budgetary process which is undertaken in support of the precept request.
- All expenditure should be monitored against budget and any significant variances reported.
- Proper PAYE records must be kept for all employees and payments approved as required in the Financial Regulations.

I hope all of this is clear, if you require any further explanation please let me know.

Yours sincerely

Sally Utton