

DRAFT

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19 June 2017

To the Members of Misson Parish Council

### **INTERNAL AUDIT 2016/17**

I have completed the internal audit of the accounts for Misson Parish Council for 2016/17 and am pleased to confirm that the records are well kept and, in my opinion meet statutory requirements although some improvements could be made as detailed below. I must apologise for the time taken to produce this report.

During the examination, I identified the following issues.

#### 1) VAT Recovery

Potential VAT recovery totalling up to £139.62 has not been made. It is for this reason that item 'B' of the Internal Audit Report on the Annual Return has been answered 'No'.

Details of the related transactions are included on the Internal Audit Notes supplied to the Clerk and Responsible Financial Officer together with recommendations for recovery from HMRC.

There were no other issues identified within this section.

#### 2) Salaries

Confirmation of the terms of appointment of the current Clerk from May 2016 is not shown within the minutes. It is for this reason that item 'G' of the Internal Audit Report on the Annual Return has been answered 'No'. There were no other issues identified within this section.

Details of the appointment should be confirmed by the Council and recorded in the minutes at the earliest opportunity. Ideally a written contract of employment, including the terms and conditions of the appointment, should also be issued.

#### 3) Standing Orders and Financial Regulations

Standing Order 5(j)(ix) requires the review and adoption of Standing Orders and Financial Regulations at each Annual Parish Council meeting. A review does not appear to have been undertaken during 2016/17.

It is recommended that a standing item is included on the Agenda for the Annual Parish Council Meeting to ensure compliance with the Standing Order 5(j)(ix).

#### 4) Repayment for expenditure incurred on behalf of the Council

In the Internal Audit Report for 2015/16, it was recommended that, where there was no alternative but for an individual to incur expenditure on behalf of the Council, a standard claim for reimbursement (supported by VAT receipts) should be completed and authorised

for payment as any other invoice. It is noted that a claim form was introduced from July 2017.

5) Purchase of Gifts

Gifts to a value of £50 were purchased during the year. There is no power to make this type of purchase other than from the Chairman's Allowance. No expenditure has been set against the Chairman's Allowance budget of £50 during 2016/17.

It is recommended that the power to incur expenditure is considered when payments are authorised.

Please forward a copy of this report to the External Auditor together with the Annual Return for 2016/17.

Please do not hesitate to contact me to further discuss the issues raised above.

Finally, may I express my appreciation to the Clerk for her co-operation in facilitating the audit.

Yours sincerely

Philip Dennis

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