# YORKSHIRE INTERNAL AUDIT SERVICES 26 STOCKWELL ROAD, KNARESBOROUGH, NORTH YORKSHIRE. HG5 OJZ TELEPHONE 01423 797817

Steve Watson, Clerk of Nelson Town Council, Town Hall, Market Street, Nelson, BB9 7LG

21 December 2017

Dear Steve,

To the Chair and Members of Nelson Town Council, Internal Audit of Accounts for the Financial Year ending 31 March 2018, interim visit.

I am pleased to inform you that our interim audit of Nelson Town Council is now complete. There are no significant issues arising, but a small number of minor issues were discussed with the clerk which I have noted below.

The following tests and checks were carried out at the audit:-

## Receipts, Payments and Bookkeeping

To obtain assurance that the books of account have been kept properly and data input controls are adequate the reconciliation of the cash book to the bank accounts was agreed for the first half of the year and a sample of three months payments was agreed to the cash book.

Income was tested by agreeing the precept from documentation to the bank statement and VAT for the first half year was also reviewed. The VAT to date was sample tested from invoices paid and agreed to records maintained.

The compilation of the Council's budget for the year was reviewed. It has been properly compiled and effectively underpins the precept demand and progress against the budget is monitored appropriately. The precept due for the year has been agreed to monies received and vouched to the bank statement.

Financial health was reviewed. There were no significant revenue budget pressures identified at this stage of the year and progress is in line with the plan.

#### **Governance Arrangements**

Standing Orders and Financial Regulations were reviewed, confirming that they have been adopted by the members and are up to date. Large payments were reviewed specifically to ensure that standing orders and financial regulations had been followed

and best value had been obtained. The contract with Nelson Joinery and Building Ltd was reviewed and the results were satisfactory.

Minutes were reviewed and confirmed that they are up to date, pages are consecutively numbered, initialled and signed as appropriate and provide for the authorisation of expenditure.

Insurance cover is in place and is adequate for the major liabilities of public liability, employer's liability and fidelity guarantee faced by the Council.

Procedures for cash collection and banking were discussed with the clerk, including security of staff. There are no significant levels of cash collection and as such, current arrangements are satisfactory.

## **Payroll Controls**

Payments made to staff for the first half year were agreed to members authorisations and HMRC returns. Tax, NI and pension contributions were within expected parameters.

### **Asset Register**

An asset register is maintained for all material assets owned by the Council. The value of the assets in the asset register was agreed to the Annual Return and additions and deletions taking place during 2017-18 will be updated for the year end.

A cross check between the asset register and insured assets found that all appropriate assets were insured, and that all insured assets had been recorded on the asset register.

A sample of assets was tested for existence and ownership. The results of the testing were satisfactory.

#### General

As the level of turnover increases the work load of the Clerk will continue to increase in line with turnover. Members will need to monitor the Clerk's workload and hours worked to ensure that the high standards currently achieved are maintained.

Many thanks to your Clerk for his help in the conduct of the audit. The next audit visit will be arranged for April/May 2018.

Yours sincerely,

Howard Miller Yorkshire Internal Audit Services

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