

Margaret I Roberts
Accountant

5 Eden Close
Hutton Rudby
North Yorkshire
TS15 0HT

Phone/Fax 01642 700836

3 June 2016

Rudby Parish Council
C/o Mrs. A Pyle
18 Deepdale
Hutton Rudby
TS15 0DS

I have carried out an examination of the records for the year ended 31st March 2016 and of the annual return prepared at that date.

I report in the terms agreed in the letter of engagement dated 28th July 2007

For the year ended 31st March 2016, I have examined the systems of control and report to you as follows:

1. The records are prepared on computer.

The system of security covering backup and copying the data is adequate if meticulously followed. I understand that a second copy of all data is kept separately from the Clerk's records.

Printed records of each year's transactions need to be kept secure and in such a way that no subsequent alterations can be made to those records.

In order to ensure this security the quarterly financial reports, when approved, are signed by two councilors and the signed copies are filed for future reference. This is currently being done.

2. The accounting systems appear to be working correctly and the financial procedures are being followed. There are satisfactory financial records and sufficient documents to evidence transactions.
3. I also attach a report showing in more detail, the areas covered by the internal audit. This is to assist yourselves in assessing the effectiveness of the internal audit. I shall be pleased to receive any comments which you may have on this.
4. The Council is required to review its risk assessments and financial procedures each year. You should ensure that this is done and the fact recorded in the minutes.
5. The internal auditor is responsible for ensuring that the systems of control within the council are working correctly
The suggested approach to internal audit testing recommends that some checking is carried out throughout the year in addition to at the year end. This is normally carried out by the Council's RFO. From my review of the records and systems, and considering the level of transactions involved, I feel that the present system of quarterly internal review by the responsible councilor, followed by an annual independent internal audit review seems adequate.
6. The level of income and expenditure during this year was under £200,000. It is therefore appropriate that accounts be prepared on a Receipts and Payments basis.
7. As far as I am aware, there are no material debtors or creditors at 31st March 2016 other than the clerk's salary for March and PAYE for the quarter to 5th April 2016. In total this amounts to £892
8. The council needs to be aware that a contract of employment should be in place for the clerk as soon as possible.
The council is also obliged to comply with the Pensions Auto-enrolment regulations

9. VAT has been reclaimed for periods up to 31st December 2015
VAT recovered in the year to 31st March 2016 was £8929 and included VAT for the years to 31st March 2014 and 2015 as well as the 9 months to 31st December 2015.
10. The Council has continued to receive reports on the management of the village hall and has during this year received a contribution of £3000 towards the cost of the loan repayments
11. The register of assets has been reviewed and updated although it should be noted that the amounts shown on the register reflect the original cost of the asset and not the present value. There are some very old items (such as the burial ground hut) which should probably be regarded as worthless.
The council should consider the insurance cover relating to these assets
12. During the year the Council received several "one off" amounts. These included a legacy of £2682 from the estate of Mr H Tarran, and £400 towards the cost of the fireworks display and £400 towards the alterations to the village pump (2015)
13. Expenditure includes some costs in respect of the following year. £900 was paid out in advance to the bands for the 2016 village event and also £720 was paid for the supply of grit in April 2015 and a similar amount was paid in March 2016.
13. There was actually a deficit of £2000 on the years receipts and Payments account. This was mainly due to the expenditure of £10000 on the Trim Trail offset by the recovery £8000 being several years VAT
A claim has been made for Section 106 funding to cover the cost of the Trim Trail.
The council also made a grant of £6000 to the Sycamore project (the village hub)
14. There were no material unexplained differences between the budget and the final results for the year.
15. The council is currently in negotiations for land to be used to extend the Burial ground and the council has previously designated £12000 for that purpose which sum is included within the Council's general bank balances at the end of the year.
16. The results shown by the accounts are as expected and the accounts have been properly prepared as required by law.
18. There are new rules for the "Audit and Accountability for local councils."
These rules came into force on 1st April 2015 and have been taken into account in this year's audit.

Yours faithfully



Margaret I Roberts

Annual Review by Internal Auditor to Rudby Parish Council

Completed on	31.5.16	Signed by;	Margaret I Roberts	2.6.16
Procedure			Yes/No	Minuted
Year end accounts have been formally approved			Yes	2014 9.6.14 2015 8.6.15
The minute approves the completed Annual Return			Yes	2014 9.6.14 2015 9.6.15
Financial procedures reviewed			yes	reviewed 14.3.16
Other risk assessments were reviewed			yes	reviewed 9.3.15
There is adequate insurance cover			Yes	Fidelity Indemnity is £250000
Has the council exceeded its powers in making financial decisions			NO	
Have the pulic had the opportunity to inspect the accounts and to raise questions on the accounts			Yes	2015 accounts Annual meeting 18.5.15
Has the Council adopted financial regulations and a standing order to manage contracts for goods and services			Yes	NALC Standing orders adopted
Has the Council repoded positively to issues raised in previous Internal audit review			Yes	no issues raised
The cash records are kept up to date			Yes	
The Cash sheets have been reconciled with invoices			Yes	
Bank statements were reconciled with cash records			Yes	
Bank Reconciliations are prepared regularly including at the year end			Yes	These have been checked
Vat is recorded separately and linked to invoices			Yes	Last claim was to December 2015
Vat is reclaimed				
Section 137 payments are shown separately			N/A	none
Petty Cash transactions have been recorded and reconciled			Yes	Checked
All payments and receipts were reported in the minutes			yes	checked
All expected monies were received			Yes	As reported in the minutes
Council is now registered as employer with HMRC			Yes	Payroll is outsourced
A Budget has been approved for next year including the precept decision			Yes	9.11.15
Variences in the budget have been explained			Yes	attached to Annual Return

Margaret Roberts
2/6/16