

YORKSHIRE INTERNAL AUDIT SERVICES  
26, STOCKWELL ROAD, KNARESBOROUGH  
NORTH YORKSHIRE  
TELEPHONE 01423 797817

The Chairlady,  
Kelbrook and Sough Council,  
Hague House ,  
Old Stone Trough Lane,  
Barnoldswick,  
BB18 6LW

2<sup>nd</sup> July 2019

Dear Madam

**To the Chairlady and Members of Kelbrook and Sough Parish**  
**Council**  
**Audit of Accounts for the Financial Year 2018/19**

**Annual Return**

The internal audit of the Council records for 2018/19 has been carried out and I am pleased to inform you that section 4 of the audit return has been signed as required.

**Background**

Due to the serious illness of the RFO, the financial records were prepared by the Chairlady who diligently reconstructed the receipts and payments spreadsheet, so that the audit could be conducted.

**Bank Accounts**

The statement for the Council bank account was checked, and found to be in agreement with the spreadsheet balance as at 31<sup>st</sup> March 2019. However, the Council should be aware that there appears to be a further bank account, which I understand is being investigated.

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### **Vouching**

A sample of Council expense invoices was checked and found to be in accordance with the payments made. It should be noted that the VAT sustained on the invoices has not been reclaimed from HMRC for either of the 2017/18 or 2018/19 years. The chairlady has started the procedure to claim a refund of the VAT element.

### **Salaries**

In reviewing payments made, I note that although salaries have been paid only one payment of PAYE tax and national insurance is recorded as having been paid to HMRC.

The Council should be aware that, as employers, it is their responsibility to properly account for tax and national insurance on salaries paid by them. It is recommended that all salaries are recalculated for the year to determine the correct deductions to be made and that any tax and national insurance payable as a result, is declared and paid to HMRC as a matter of urgency

### **Risk Assessment**

In my consultations with the chairlady, it was noted that the Council does not possess a formal written risk assessment document. I recommend that the Council should compile a suitable document, which should be reviewed on an annual basis. If, on review, amendments are felt to be necessary, the document should be updated and the changes formally noted in the minutes.

### **General**

I should like to thank you for your assistance and look forward to the next audit.

Yours sincerely,

Terry Flatters