



HAWTHORNS | accounting services Ltd

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29th April 2016

Dear John

As requested, I have completed an Internal Audit on the books, records and controls of Chudleigh Town Council, for year ending 31st March 2016

I carried out the Internal Audit in accordance with the guidelines detailed in the 'Annual Return'. I noted the following :-

1. Proper books of account have been kept throughout the year.
2. Bank reconciliations are carried out monthly with no unexplained balances.
3. The staff salaries have been paid under the PAYE system and proper deductions have been made for tax and national insurance, which has been paid to the Inland Revenue on a timely basis.
4. All expenditure has been authorised by three signatories. Where no invoice exists, then the procedure is that a letter from the Clerk is receipted by the payee. Where necessary VAT has been correctly accounted for.
5. Insurances exist for Public Liability, Employers Liability, Money and Fidelity Guarantee, covering the major risks that the Council might encounter.
6. Proper budgetary controls are in place with respect to the annual precept.
7. Income has been receipted and banked in a timely manner and VAT has been accounted for where necessary.
8. The year-end financial statements have been based on the books and records of the Council and I believe them to be accurate and complete.
9. An asset register of all material assets is kept up to date.

I understand that you'll start to using online banking shortly which should be a major improvement.

I have completed the Annual Internal Audit Report on the Annual Return and signed and dated at the bottom. I trust this is sufficient for you but if you need any further information please give me a call.

Yours sincerely

Chris Jebb

SERVICES

management accounts

payroll processing

sage management

budgetary control

cash flow forecasting

bookkeeping

vat returns

tax returns