

V.E. FALCONER

Waterblean Farm,
The Hill,
Millom,
Cumbria,
LA18 5HA.

31st May 2019

To Eskdale Parish Council

I am an experienced self-employed bookkeeper and I have been asked to do an internal audit of the accounts of Eskdale Parish Council for the year ending 31st March 2019.

These accounts have not been properly kept and do not comply with the financial regulations. I have reconciled the bank statement with the cheque books. However, more than half of the payments made are not supported by invoices and the cheque stubs have not been endorsed by the signatory to indicate approval of expenditure. I am therefore unable to tell whether these payments are correct. The following cheques issued have no supporting invoice:

17.4.18	361	Clerk's 1 st qtr salary & exps-office x 6 months No invoice for clerk's salary portion of cheque	£277.14
8.5.18	362	1 st qtr salary, PAYE, expenses	£434.25
10.7.18	363	R Crowe verge cutting	£1,800.00
10.7.18	364	Mrs D Pickles	£229.20
26.11.18	371	3 rd qtr salary	£229.20
12.3.19	374	CBC lighting	£144.00
12.3.19	376	salary	£229.20

As shown above, the clerk appears to have drawn her 1st quarter salary, PAYE and expenses twice.

In addition, cheque 360, dated 1st April 2018, for Site Builder Website, has been made out for an incorrect amount - £241.00 instead of the invoiced amount of £240.38.

There are no remittance advices or paperwork to support the two payments received and I am therefore unable to tell if the amounts received are as expected:

27.4.18	CBC – Creditors	£3,500.00
20.2.19	Credit no. 025912	£1,500.00

There is no evidence of a budget or budgetary control, nor an asset and investment register.

There is no evidence that the payments made to the Parish Clerk were correct or approved.

Periodic bank reconciliations were not carried out. However the new Parish Clerk has completed the year-end bank reconciliation.

There is no evidence that accounting statements have been prepared during the year.

The councillors have not ensured that proper financial procedures have been followed. Better monitoring of the Parish Clerk's work would have prevented these discrepancies.

The Parish Clerk responsible for these shortcomings has been replaced by an experienced Parish Clerk who is aware of the problems and is commencing the introduction of the correct financial procedures.

Signed

Volerie E. Falconer

V.E. Falconer
Internal Auditor