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18 October 2018

Sarah Eden
Town Clerk
Prudhoe Town Council
Second Floor Unit. R2.06
The Spetchells Centre
Prudhoe
58 Front Street
Northumberland
NE42 5AA

Dear Sarah,

Prudhoe Town Council – Interim Internal Audit - 2018/2019 financial year

I have completed a comprehensive interim internal audit of the financial transactions to date.

The audit was guided by the Town Council's Risk Assessment/Management Report.

It included an examination of the insurance cover which I consider to be both appropriate and adequate. I also examined the VAT records and assets register.

The audit included an inspection the prime records supporting the audit trail. These included a scan of the minutes and a cross check and verification of income and expenditure from invoices/paying-in vouchers to cash book to bank statements and the examination of paying-in counterfoils and bank reconciliation statements.

The audit also included the verification of transfers between the Town Council's bank accounts.

A small number of queries raised have been answered to my complete satisfaction and where considered necessary agreed amendments will be made. These included an instance where a grant paid to a voluntary body, in the form of a direct payment for an asset, was netted against a contribution from the voluntary body. This could have had implications for the recovery of the VAT element.

You have volunteered a course of action to correct this which I fully endorse.

There are no other matters arising from the interim internal audit to draw to the attention of the members of the Town Council.

The year-end audit will include an examination of the payroll system including a verification of salary scale points and implementation dates to resolutions made by the Town Council.

I will also need to examine the records of the TV licence scheme.

I thank you for your patience in answering the queries arising from the audit.

Please let me know in due course when you will be ready for the year-end audit.

Kind regards,

A handwritten signature in black ink, appearing to read "Peter Basnett", with a long horizontal flourish extending to the right.

Peter Basnett
Internal Auditor