

KG ENTERPRISES

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Fernwood Parish Council
c/o Parish Clerk
Fernwood Village Hall
Rubys Avenue
Fernwood
Newark
NG24 3RS

Dear Members:

To: Members Fernwood Parish Council.

As instructed by the Parish Clerk, I have carried out the first of 2 stages of internal audit reviews of the Council's systems of internal control. There were two objectives behind the review:

1. To enable me next year to sign off the year-end Annual Internal Audit Report 2022-2023;
2. To assure Members that there are adequate systems of internal control in place and are being complied with.

During the first stage review, I covered the following areas of the Council's responsibilities:

1. Payroll – processing
2. Payroll – Deductions ie Tax and NI, pensions etc
3. VAT Returns
4. Bank Reconciliations
5. Budget Production and Control
6. Purchase Ledger
7. Investments
8. Asset Management
9. Risk Management
10. Income

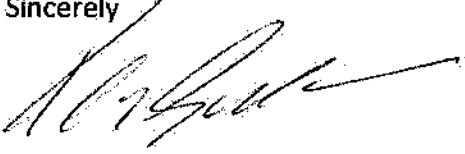
I am pleased to report that no exceptions have been found in the testing carried out but I have included one or two recommendations that will further enhance the accounting processes in operation within the Council. I have attached a full report of my findings for your consideration. Based on the areas already covered, I am of the opinion that adequate systems of internal control are in place and are being followed effectively.

I need to say a word about CIL – the Community Infrastructure Levy. It is not covered in the attached detailed report as I was not too sure where it would lie – income, budget, investment – probably in all three. During the audit, the Clerk and I discussed CIL, and I am pleased that she is preparing a CIL policy statement which will include information on what it can be spent on, a regular accounting statement of funds i.e. total amount(s)

received, spends (on what and when a spend is planned), balance on hand and where it is deposited, and an estimate on value and time of future tranches of income.

As it was my first visit to the Parish offices, I was very much dependent on the advice and consideration of the Clerk, and I wish to put on record my appreciation for the assistance rendered me during the audit.

Sincerely

A handwritten signature in black ink, appearing to read 'Ken Goddard', written in a cursive style.

Ken Goddard
Internal Auditor.
14 November 2022.