

YORKSHIRE INTERNAL AUDIT SERVICES
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Mrs Fiona Hill
Clerk to Gate & Upper Helmsley Parish Council
The Byre
Fieldhouse Farm
Thornton-le-Clay
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YO60 7QA

Dear Mrs Hill

**To the Chairman and Members of Gate & Upper Helmsley Parish Council
Internal Audit of Accounts for the Financial Year ending 31 March 2018**

I am pleased to tell you that the internal audit for 2017/18 has been carried out in accordance with the internal audit plan. Appropriate tests and checks were carried out on the accounts, management arrangements and internal controls to ascertain if they are operating as expected. I can confirm that internal controls are operating as expected excepting two matters to bring to members' attention which are noted in the following paragraphs. Other minor matters were discussed and agreed with the clerk.

The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2017/18 has been completed as required.

Annual Governance Statement

The council as a whole is responsible in law for ensuring adequate financial management and as part of its Annual Governance Statement declares that it is responsible for ensuring that there is an adequate system of internal control, including arrangements for the preparation of the Accounting Statements. It must also carry out an assessment of the risks facing the authority and take appropriate steps to manage those risks, including the introduction of internal controls. This council now has in place good arrangements including Standing Orders, Financial Regulations, a Risk Management Assessment document, and a Financial Risk Assessment.

It has also documented its internal controls but they have not been reviewed during the year.

I recommend that the council ensure that the internal controls (and also other risk management arrangements) are reviewed not less than annually to ensure that they remain relevant, are being adhered to and that any new risks are identified and appropriate measures put in place to address those risks.

Assets

Part of the audit work carried out is to ensure that the assets recorded in the asset register reconcile to the assets that the council is insuring (although not all assets need necessarily be insured). The insured value of the council's assets (street lighting columns) at just over £20,000 was significantly lower than the value stated in the asset register.

It is not clear whether the asset register value is correct, in which case they may be underinsured or whether in fact, any or all of the street lighting columns are actually owned by the council. If they are owned by the council the recorded value will depend whether they were purchased, in which case they should be recorded at actual cost at the time of purchase, or whether they were gifted, for example as a community asset transfer, and then should be included in the asset register with a nominal one pound (£1) value as a proxy for the zero cost.

I recommend that the council review the ownership status of the street lighting columns and value them appropriately.

I would like to thank Mrs Hill for her assistance and attention during my visit.

Yours sincerely



JL Bennett

16 May 2018

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