

YORKSHIRE INTERNAL AUDIT SERVICES
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Mrs Fiona Hill
Clerk to Gate & Upper Helmsley Parish Council

York

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 2019**

I am pleased to tell you that the internal audit for 2018/19 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. I have also reviewed action taken on matters raised in my previous report and this is summarised in the following paragraphs. Other minor matters were discussed during my visit and action agreed with the clerk if necessary. The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2018/19 has been completed as required.

Annual Governance Statement

My previous report commented on the good arrangements this council has in place for ensuring adequate financial management and ensuring that there is an adequate system of internal control. These included Standing Orders, Financial Regulations, a Risk Management Assessment document, and a Financial Risk Assessment. Internal controls were also documented but they had not been reviewed during the year.

I recommended 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. Standing Orders were reviewed by the council during the 2018/19 financial year but no other documents as mentioned above, including the internal controls, were reviewed. To ensure continued good controls I again recommend that the council review the necessary documents to ensure they remain relevant and up to date.

Assets

During my previous visit I reviewed the council's assets recorded in the asset register against the assets that the council was 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 was not clear whether the asset register value was correct, or if any or all of the street lighting columns were 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 recommended that the council review the ownership status of the street lighting columns and value them appropriately.

Following this year's visit and review of the register the value of the street lighting columns approximates to the insured value but it has still not been determined if they are the property of the council and hence need be insured by them. The council currently pay for the electricity costs, maintenance and replacement of bulbs. If the columns are not the property of the council then they would not be responsible for all costs. I would recommend again that efforts are made to establish ownership.

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

Yours sincerely



JL Bennett

16 May 2019