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Mrs S Bruckshaw
Clerk to New Earswick Parish Council
The Folk Hall
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Dear Mrs Bruckshaw

To the Chairman and Members of New Earswick Parish Council Internal Audit of Accounts for the Financial Year ending 31 March 2017

I am pleased to inform you that the internal audit has been completed. Appropriate tests and checks were carried out on the accounts, management arrangements and internal controls as shown in the internal audit plan. No matters arose from this work to give cause for concern and I can confirm that internal controls are operating as expected. There is one matter to bring to members' attention concerning the council's position as a constituent authority of Huntington Burial Authority. This is discussed below.

Section 4 of the Annual Return (the Annual Internal Auditors Report) has been completed as required.

Huntington Burial Authority

My previous audit noted changes to legislation which stated that from 1 April 2015 with the implementation of the Local Audit and Accountability Act 2014 joint committees are no longer required to have their accounts separately prepared and audited by an appointed auditor i.e. complete an Annual Return. The legislation intended that the figures would be audited as part of the constituent authority who could arrange for a continued separate audit if they choose. The Burial Authority has continued with an annual internal audit which I have carried out as in previous years. I recommended that the Council liaise with the other constituent authorities and ensure that arrangements were made to enable them to be confident that the accounts were properly reported as legislation expects.

Guidance has now been published in 'Governance and Accountability for Smaller

Authorities in England – March 2017'. In brief this states that authorities that operate joint committees, boards or other joint arrangements should make sure that the appropriate shares of income, expenditure, assets and liabilities (including any year-end balances) are included within their own accounts. This instruction applies to accounts for the year 2017/18 but may be carried out for 2016/17 on a voluntary basis. For this year the Council have included only their share of the cemetery land in their assets (nominal £1, as in previous years).

The guidance also states 'all authorities in a joint arrangement need to communicate with one another. If an original formation document cannot be found, the constituent bodies need to make and record proper decisions about how the arrangement is set up and how the income, expenditure, assets and liabilities are owned and accounted for in each participating body's Annual Return.

I understand that the Burial Authority has a constitution but as far as I am aware it does not cover the matters discussed above as these are new requirements which set out the responsibilities and financial arrangements between the constituent authorities and the joint committee.

I recommend that the Council begins these discussions with the joint committee and the other constituent authorities in good time to ensure that the correct accounting and reporting arrangements are in place for the 2017/18 Annual Return.

I would like to thank the Clerk for her assistance and attention during the audit.

Yours sincerely

JL Bennett

May 2017

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