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Hilderstone Parish Council
C/o Mrs A. Kingston
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April 16th, 2019

Dear Councillors,

Conclusion of Internal Audit for Hilderstone Parish Council - Year ended March 31st, 2019

I am writing to confirm that I have carried out the year-end review for Hilderstone Parish Council and have completed and signed the appropriate page of the Annual Governance and Accountability Return, Part 2, Please note the following:-

Chairman's Allowance – An allowance paid under section 15(5) Local Government Act 1972 is taxable if it is paid as a round sum allowance, but not if it reimburses actual deductible expenditure. (Please see the attached excerpt taken from SLCC Members Allowance Regulations 2003 (SI 2003/1021).

The independent internal examination of the Councils governance, financial affairs and certification of the 2018 – 19 Annual Return to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 (as amended) and embodied in the Governance and Accountability Practitioners Guide 2019.

In summary the following areas were covered during the course of the examination:-

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Control
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures

In addition a review of the Councils website was also undertaken to evaluate conformance to the Local Government Transparency Code 2015, which is to be viewed as the minimum standard.

Yours sincerely,

C. Heelis

Christine Heelis
Independent Internal Auditor

Taken from SLCC Members Allowances Regulations 2003 (SI 2003/1021)

4. The Parish Remuneration Panel, in making its recommendations, can apply the levels of the basic allowance and travelling and subsistence allowance to all the authorities for which it has been asked to report or make different recommendations for each authority. The levels of the parish basic allowance have to be expressed both as a percentage of the district council's basic allowance and as an amount (Regulation 29).

Publicity for Parish Remuneration Panel Reports (Regulation 30)

Once a parish council has received a Parish Remuneration Panel report, it must ensure that, as soon as reasonably practicable, copies are made available for public inspection, and that for a period of at least fourteen days a notice is posted in the parish which states that recommendations have been received, describes the main features of those recommendations and specifies the recommended amounts of each of the allowances mentioned in the report, and states that copies of the report are available for inspection on reasonable notice and how this notice should be given. Copies of the report must be made available for purchase at a reasonable fee determined by the parish council.

Records of Parish Allowances (Regulation 31)

A parish council must keep records of all allowance payments and, at the end of each financial year, post a notice in the parish for a period of at least fourteen days setting out the total sum paid over the year and the amounts paid to each individual member in respect of the parish basic allowance and parish travelling and subsistence allowance. Copies of the records must be made available for purchase at a reasonable fee determined by the parish council.

Elections to Forgo Parish Allowances (Regulation 32)

Any member of a parish council may decide to forgo all or part of his or her allowance entitlements. The member must do this by notice in writing to the proper officer of the council (in most cases this will be the clerk).

Further Information

For the full text of the Regulations, go to www.legislation.gov.uk.

APPENDIX: TAX TREATMENT OF PARISH COUNCILLORS' ALLOWANCES

1. Parish Basic Allowance paid to councillors counts as earnings of an office and is therefore taxable (and subject to Class 1 National Insurance contributions although the level of allowances is unlikely to be high enough to give rise to a liability).
2. A parish councillor in receipt of parish basic allowance will need to be added to the council's PAYE scheme, given a tax code and reported as a starter under Real Time Information.
3. Chairman's Allowance paid under section 15(5) Local Government Act 1972 will also be taxable if it is paid as a round sum allowance but not if it reimburses actual deductible expenditure.