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Mrs Jane Biscombe
Town Clerk
Yateley Town Council
Council Offices
Reading Road
Yateley
Hants RG46 7RP

12th June 2016

Dear Jane

Internal audit for the year ended 31st March 2016 – final report

Further to my visit on 12th June and my review of Alan Harland's accounts' file, I am pleased to report that I have now completed my internal audit review.

Charging of VAT on income

During my visits it became apparent that there was some uncertainty regarding the VAT treatment of two income streams.

(a) Roundabout sponsorship

Sponsorship income is standard rated for VAT. Hitherto the income for the roundabout sponsorship scheme has been treated as either zero-rated or exempt. This should be corrected as soon as possible.

(b) Fishing syndicate income

The income from the fishing syndicate has had VAT applied to it. However, the signed agreement states that the sums agreed are exclusive of VAT but the Council has treated them as being inclusive of VAT. I understand that discussions have started with the syndicate and that this matter will be resolved shortly.

Matters raised in Interim Report

I note that the issues regarding mileage and pension contributions, which were raised in my interim report, have since been resolved.

Signing of the audit report

The external auditors have commented in their documentation accompanying the Annual Return that "sufficient internal audit work needs to be completed and reported before the Members approve the Annual Governance Statement". This letter should therefore enable the Council to approve the Annual Return in the knowledge that the internal audit for the year is complete. As in previous years, I will wait until the Members have approved the Return, and assuming that the figures on the Return are as agreed during my visit and the Governance Statement is approved, I will then sign my section of the Return, giving an unqualified report.

Yours sincerely



Claire Connell