

**This page is part of Section 3 - External auditor certificate and opinion 2016/17  
St Mabyn Parish Council  
External Auditor Report for the year ended 31 March 2017**

### **HMRC Payments**

Deductions should be paid to HMRC on or before the date prescribed. HMRC guidance setting out the correct income tax and NIC treatment of parish clerks is set out in the HMRC Employment Income Manual. This guidance confirms that a parish clerk is an office holder and that all office holders are subject to PAYE. This means that parish clerks:

- can never be considered as self-employed for tax or NIC purposes;
- cannot be paid 'gross'; and
- fall to be taxed under PAYE.

The Authority has acknowledged weaknesses in its procedures for recording and reporting payroll tax deductions to HMRC. Specifically, monthly and year-end submissions have not been made to HMRC and there are outstanding payments dating back to 2013/14.

### **Internal Financial Controls**

The internal auditor's report highlights that whilst internal financial controls are adequate for the purpose intended, they are not regularly reviewed by the Authority. The Authority should ensure that internal financial controls are fully documented and periodically reviewed.

The internal financial controls do not specifically include a check as to whether all payments made are legal and within the powers of the Authority. We recommend that this control be included in the internal controls document and incorporated as part of the procedures undertaken by the Financial Officer.

### **Transparency Code**

The Internal auditor's report highlights that minutes and agendas of meetings have not been published on the Authority's website. As part of the transparency code authorities are required to publish this information on their website.

### **Section 2, Accounting statements, Box 10 - Total Borrowings**

Box 10, Total borrowings, for 2016/17 has been left blank. This should read Nil.

In the future the Authority should ensure that the Annual Return is reviewed before sending the document to the external auditors, to ensure that there are no errors or boxes that have been left blank.