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Mrs Mary Jane Scott
Chair
Instow Parish Council

19 June 2024

Dear Mary Jane,

Internal Audit 2023/24

Overview

The information provided to me for the audit was comprehensive and the Parish Council's accounting records and financial control procedures were found to be satisfactory in all important respects. I was able to tick the Yes box for all relevant control objectives in the Internal Audit Report.

The Council transferred £33,000 of its surplus cash to an interest-bearing account during the year.

Car Park Income

As was reported last year, the car park is by far the Council's largest source of income. This income arises from a large number of small transactions, and 40% of the car park receipts in the year were in cash. The audit included detailed checks of the accuracy of the reported totals. There were some small discrepancies but these are immaterial in the context of the total car park income of £54,300.

The Council has continued to use two parking meters throughout the year. These are of different makes, and payments for card receipts are made to the Council in different ways. With one meter operator, payments are made to the Council as gross receipts and the processing costs are charged separately. The other meter operator has recently changed its procedure but for much of the year payments were made to the Council after deducting processing costs. This complicates the recording of receipts and payments. Other complications arise because both operators out-source their credit card processing and because, with both operators, some of the processing costs are subject to VAT and some are not. Because of these complications mistakes were made, and there is scope for improvement in the recording of car park receipts and payments and related VAT but, as noted above, the impact on total receipts and payments was very small.

The parking meter costs as a proportion of car park income were 10.9%. This is a relatively high proportion, and costs need to be kept under review.

Yours sincerely,

Michael Green FCMA
Internal Auditor